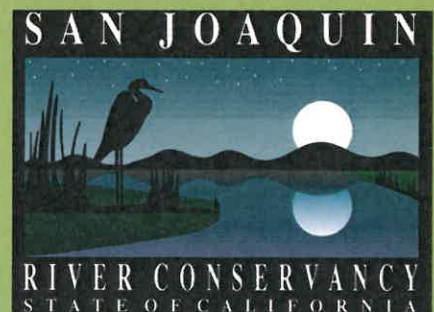


# BOARD MEETING REMINDER

The October 4, 2017, Board meeting begins at 10:00 a.m.; (March through October meetings begin at 10:00 a.m.)

Note: The meeting location is  
**Fresno Metropolitan Flood  
Control District Board Room**





250.20

STATE OF CALIFORNIA  
Edmund G. Brown, Jr., Governor

5469 E. Olive Avenue  
Fresno, California 93727  
Telephone (559) 253-7324  
Fax (559) 456-3194  
[www.sjrc.ca.gov](http://www.sjrc.ca.gov)

#### **GOVERNING BOARD**

Andreas Borgeas, Chairperson  
*Fresno County Board of Supervisors*

Brett Frazier, Vice-Chairperson  
*Madera County Board of Supervisors*

Steve Brandau  
*Councilmember, City of Fresno*

William Oliver  
*Councilmember, City of Madera*

Roy Spina, Director  
*Fresno Metropolitan Flood Control District*

Carl Janzen, Director  
*Madera Irrigation District*

Julie Vance, Regional Manager  
*Department of Fish and Wildlife*

Kent Gresham, Sector Superintendent  
*Department of Parks & Recreation*

John Donnelly, Executive Director  
*Wildlife Conservation Board*

Julie Alvis, Deputy Assistant Secretary  
*Natural Resources Agency*

Jennifer Lucchesi, Executive Officer  
*State Lands Commission*

Karen Finn, Program Budget Manager  
*Department of Finance*

Bryn Forhan  
Paul Gibson  
vacant  
*Citizen Representatives*

Melinda S. Marks  
*Executive Officer*

### **SAN JOAQUIN RIVER CONSERVANCY**

The San Joaquin River Conservancy Governing Board  
will hold a regular meeting on  
**Wednesday, October 4, 2017, commencing at 10:00 a.m.**

**Board Meeting Location:**  
**Fresno Metropolitan Flood Control District**  
**5469 E. Olive Ave., Fresno CA 93727**

**The following location is also open to Board members  
and the public for attendance via phone conference:**  
California Natural Resources Agency  
1416 Ninth Street, Ste. 1311  
Sacramento, CA 95814

#### **MEETING AGENDA**

#### **CALL TO ORDER & PLEDGE OF ALLEGIANCE**

##### **A. ROLL CALL**

##### **B. PUBLIC COMMENT & BUSINESS FROM THE FLOOR**

The first ten minutes of the meeting are reserved for members of the public who wish to address the Conservancy Board on items of interest that are not on the agenda and are within the subject matter jurisdiction of the Conservancy. Speakers shall be limited to three minutes. The Board is prohibited by law from taking any action on matters discussed that are not on the agenda; no adverse conclusions should be drawn if the Board does not respond to the public comment at this time.

##### **C. ADDITIONS TO THE AGENDA**

Items identified after preparation of the agenda for which there is a need to take immediate action. Two-thirds vote required for consideration. (Gov. Code § 54954.2(b)(2))

##### **D. POTENTIAL CONFLICTS OF INTEREST**

Any Board member who has a potential conflict of interest may identify the item and recuse themselves from discussion and voting on the matter. (FPPC §97105)

**E. MINUTES**

- E-1 Approve Minutes of June 7, 2017, Board Meeting

**F. CONSENT CALENDAR**

All items listed below will be approved in one motion unless removed from the Consent Calendar for discussion:

- F-1 Report on Renewal of Agreement with Fresno Metropolitan Flood Control District for Administrative Support and Office Space
- F-2 Authorize Continuation of Sycamore Island Concession Agreement with San Joaquin River Parkway and Conservation Trust
- F-3 Notice of Release of Proposal Solicitation Package, Multi-Benefit Water Quality, Water Supply, Ecosystem and Watershed Protection and Restoration Grant Program (Proposition 1, 2014)

**G. DISCUSSION**

- G-1 Presentation by Trust for Public Land: Parks and Recreation Survey Conducted for City of Fresno
- G-2 Presentation by Department of Justice: Decision-Makers' Obligations and Process for Environmental Impact Reports and Project Approvals under the California Environmental Quality Act (CEQA)
- G-3 Authorize Bond Funds to Augment the Spano Ranch Habitat Restoration Project Grant to the San Joaquin River Parkway and Conservation Trust

**H. ADMINISTRATIVE AND COMMITTEE REPORTS**

If time allows, the following oral reports will be provided for informational purposes only, and may be accompanied by written reports in the Board packet. No action of the Board is recommended.

- H-1 Organizations
- H-1a San Joaquin River Parkway and Conservation Trust
- H-1b RiverTree Volunteers
- H-2 Deputy Attorney General
- H-3 Executive Officer
- H-4 Board Members' Reports

**I. EXECUTIVE SESSION**

Before convening in closed session, members of the public will be provided the opportunity to comment on Executive Session agenda items.

- I-1 Government Code Section 54956.8  
Consultation with real property negotiators concerning terms of negotiations, including price and terms of payment.

Property: Ball Family Trust, Cemex plant site  
Fresno County (APNs 300-007-56 through 60)

Negotiating Parties: David Wasemiller, Realtor, agent for Ball Family Trust

Agency Negotiators: Melinda Marks, San Joaquin River Conservancy  
Daniel Vasquez, Wildlife Conservation Board

J. NOTICE OF BOARD, ADVISORY, AND PUBLIC MEETINGS

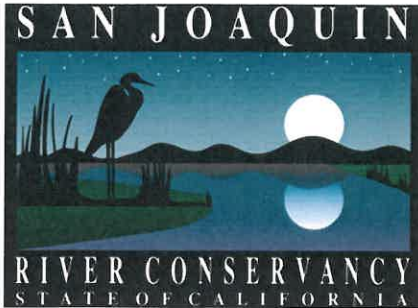
None.

K. NEXT BOARD MEETING DATE

The next meeting of the Board will be held November 15, 2017, at 10:00 a.m. at the Fresno City Council Chambers, 2600 Fresno Street, Fresno CA 93721.

L. ADJOURN

Board meeting notices, agendas, and approved minutes are posted on the Conservancy's website, [www.sjrc.ca.gov](http://www.sjrc.ca.gov). For further information or if you need reasonable accommodation due to a disability, please contact Rebecca Raus at (559) 253-7324 or [Rebecca.Raus@sjrc.ca.gov](mailto:Rebecca.Raus@sjrc.ca.gov).



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Paul Gibson  
vacant  
*Citizen Representatives*

Melinda S. Marks  
*Executive Officer*

250.20

**STATE OF CALIFORNIA**  
Edmund G. Brown, Jr., Governor

### **MINUTES SAN JOAQUIN RIVER CONSERVANCY Governing Board Wednesday, June 7, 2017**

#### **Board Meeting Location:**

Fresno Metropolitan Flood Control District Board Room  
5469 E. Olive Avenue, Fresno, CA 93727

**The following location was also open to Board members and the public for attendance via phone conference:**

California Natural Resources Agency  
1416 Ninth Street, Ste. 1311  
Sacramento, CA 95814

#### **MEETING AGENDA**

#### **CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Chairperson Borgeas called the meeting to order at 10:02 a.m. and led the pledge of allegiance. He commented that this meeting would be adjourned in commemoration of the tragic recent drowning in the San Joaquin River of Neng Thao, of Fresno (see Adjournment, Item L).

#### **A. ROLL CALL**

Name	Present	Telecon- ference	Absent	Late
Mr. Andreas Borgeas	X			
Mr. Brett Frazier	X			
Mr. Steve Brandau	X			
Mr. Will Oliver	X			
Ms. Barbara Goodwin				10:07
Mr. Carl Janzen		See below		
Ms. Julie Alvis	X			
Ms. Julie Vance	X			
Mr. Kent Gresham				11:20
Mr. John Donnelly	X			
Ms. Jennifer Lucchesi	X			
Ms. Karen Finn				11:20
Ms. Bryn Forhan	X			
Mr. Paul Gibson	X			

Mr. Janzen listened to the meeting by phone from a location other than the location on the notice; he was not part of the quorum or eligible to vote. Mr. Crow confirmed he could participate in discussion.

Ms. Wright confirmed that a quorum was present.

[Mr. Gresham and Ms. Finn were not able to connect with the conference call until later in the meeting.]

Legal Counsel Present: Michael Crow, Deputy Attorney General

Staff present: Melinda Marks, Executive Officer  
Rebecca Raus, Associate Governmental Program Analyst  
Janah Wright, Staff Services Analyst  
Heidi West, Program Manager, San Joaquin River Conservancy  
Projects, Wildlife Conservation Board

**B. PUBLIC COMMENT & BUSINESS FROM THE FLOOR**

The first ten minutes of the meeting are reserved for members of the public who wish to address the Conservancy Board on items of interest that are not on the agenda and are within the subject matter jurisdiction of the Conservancy. Speakers shall be limited to three minutes. The Board is prohibited by law from taking any action on matters discussed that are not on the agenda; no adverse conclusions should be drawn if the Board does not respond to the public comment at this time.

Chairperson Borgeas stated that the Kings River will be closed for sixty days to protect public safety. There was discussion by the Fresno County Sheriff's Department to close the San Joaquin River as well; they would work with the Madera County Sheriff's Department.

Public Comment:

Mr. Radley Reep, a Fresno resident, suggested that the goals in the proposed Master Plan Update should be numbered to make it easier for commenters to reference them.

Ms. Sharon Weaver, Executive Director of the San Joaquin River Parkway and Conservation Trust, complimented the Wildlife Conservation Board on the conduct of their meetings and on the WCB's focus on its conservation mission. She shared photographs from a field trip for sixth graders from Madera Unified School District, noting how engaged the students become.

Mr. Jim Cobb, representative of the Tax Payers' Association of Central California, described his involvement in the early development of the San Joaquin River Conservancy. Public access to the river is key issue at this time. When Highway 41 was widened, an off ramp was provided for public access to Cobb Ranch, with funding assistance from Mr. Cobb. Mr. Cobb has been providing public access to the river near his home. The adjacent property owner sued Mr. Cobb to stop the public from using a road on the property to access his site. Mr. Cobb disputes the location of the State's high and low water marks, and believes that if those lines were adjusted, public access would be legally required across the neighboring property. He requested the Board's consideration of this issue as an action item on the agenda for the next Board meeting. He noted that the issue is presented on the Tax Payers' Association website.

Chairperson Borgeas stated that Mr. Cobb's issues could be agendaized in the future to be discussed further.

**C. ADDITIONS TO THE AGENDA**

Items identified after preparation of the agenda for which there is a need to take immediate action. Two-thirds vote required for consideration. (Gov. Code § 54954.2(b)(2))

There were none.

**D. POTENTIAL CONFLICTS OF INTEREST**

Any Board member who has a potential conflict of interest may now identify the item and recuse themselves from discussion and voting on the matter. (FPPC §97105)

There were none.

**E. MINUTES**

E-1 Approve Minutes of May 3, 2017

**It was moved by Mr. Oliver and seconded by Mr. Frazier to approve the minutes of May 3, 2017, as presented. The members unanimously passed the motion as follows:**

ROLL CALL TO VOTE:

Name	Yes	No	Abstain
Mr. Andreas Borgeas	X		
Mr. Brett Frazier	X		
Mr. Steve Brandau	X		
Mr. Will Oliver	X		
Ms. Barbara Goodwin	X		
Ms. Julie Alvis	X		
Ms. Julie Vance	X		
Mr. John Donnelly	X		
Ms. Jennifer Lucchesi	X		
Ms. Bryn Forhan	X		
Mr. Paul Gibson	X		

**F. CONSENT CALENDAR**

All items listed below will be approved in one motion unless removed from the Consent Calendar for discussion:

There were none.

**G. DISCUSSION**

G-1 Amended: Update on the City of Fresno's Workplan for Conducting Supplemental Analyses of Route 5B to Incorporate in the River West Fresno, Eaton Trail Extension Environmental Impact Report

Staff Recommendation: Staff was requested at the May 3 meeting to report back on the City of Fresno's work plan, including the scope of services and the schedule.

Chairperson Borgeas introduced Bruce Rudd, Fresno City Manager, to provide an update on the City's progress.

Mr. Rudd stated that Scott Mozier, Director of Public Works, and a representative from Blair, Church, and Flynn Consulting Engineers were with him to answer questions. He reported that the consultants' scope of work was negotiated with the Conservancy Executive Officer and they are ready to proceed immediately. The private property owner, Mr. Spano, has granted access to the Spano property to immediately begin assessments. If the engineering study shows that option 5B is a viable alternative then there will be a need to recirculate the Draft Environmental Impact Report (EIR). They are refining a quote received from AECOM to perform the environmental analyses, and it is likely the proposal will need to be presented to the City Council for authorization. He added that the City proposes to provide some additional analyses of the parking needed for the proposed Project.

Board Comments:

Chairperson Borgeas stated that the timeframe is still on the track to meet the Conservancy's needs and that the Board will be anticipating another update from the City in August. The City is willing to fund not only the engineering study, but also the environmental analyses and other costs to recirculate the revised Draft EIR.

Ms. Marks stated the scope of work for Blair, Church and Flynn was as described in the staff report. In addition, the City requested AECOM to provide a scope and a budget for preparing the revised Draft EIR and responding to comments. Mr. Mozier is experienced with capital projects and understands the additional work that is needed; he is working with AECOM to secure those services. Everyone on the team is prepared to work hard to meet the timeframe.

Upon inquiry from Ms. Vance, Mr. Rudd stated that the City proposes to reevaluate the parking suitability for the entire project.

Ms. Vance asked whether the Conservancy proposes to recirculate the Draft EIR.

Mr. Borgeas stated that recirculation may not be necessary, but it is probably prudent to do so.

Mr. Crow stated that for a significant issue such as Alternative 5B, the California Environmental Quality Act (CEQA) arguably requires circulating a revised Draft EIR.

Ms. Vance expressed concern about the constraints relating to Alternative 5 that were identified in the Draft EIR; these constraints would be similar for an Alternative 5B. The identified constraints could not be resolved quickly.

On inquiry from Mr. Borgeas, Mr. Rudd explained that he felt parking should be analyzed for all the options, not just the new alternative.

Ms. Vance stated that it was her understanding that the Draft EIR contained an analysis of parking needs, and requested Mr. Young to explain.

Mr. David Young, of AECOM, responded that as a result of extensive public scoping initiated by the City in 2008, the size of the parking lot at the proposed Perrin Avenue access was planned to be fifty parking spaces with three additional stalls for horse trailers.

Ms. Marks added that the scope and design of the proposed project was developed by the City when it was the project manager and lead agency. The consultant should size the proposed 5B parking area to accommodate expected visitation. The Conservancy will respond to comments received about the parking capacity in the Final EIR.



Mr. Gibson asked Ms. Marks if the issues regarding the City's proposal discussed previously have been properly addressed.

Ms. Marks responded that, although she has not seen the scope of work the City is requesting from AECOM, Mr. Mozier understands the needs and requirements and the City is heading in right direction.

Mr. Gibson asked if it was still possible that Alternative 5B could become a subsequent addendum instead of circulating a revised Draft EIR, if the Board wants to study option 5B, but is concerned about circulating a revised draft.

Ms. Marks confirmed that it is a viable option, and a way that CEQA accommodates later elements that might be added to the River West site consistent with the Parkway Master Plan.

Mr. Gibson suggested the Conservancy, City, and other possible partners should start meeting to figure out how to provide operations for the project. Public access could be limited at first and evolve to provide broader services.

Mr. Rudd stated that the City and the Mayor would support and welcome engaging in discussions and creating an operations plan. There are many examples (parks, stadiums, etc.) where public assets are not adequately supported over the long term.

Mr. Oliver noted the proposal from the City to date would cover the feasibility analysis, and asked Mr. Rudd to clarify whether the City's proposed agreement with AECOM would cover the outstanding tasks: the environmental impact analysis, recirculation, response to comments, and peer review to ensure technical consistency. He also asked whether it is realistic for the City to conduct the entire Alternative 5B analysis by August.

Mr. Rudd answered that City staff is working on a proposed scope of work with AECOM that includes those tasks, to be presented for approval by the City Council, and commented that they are accustomed to working under tight timelines.

Mr. Mozier confirmed that he has been in close communications with Ms. Marks and AECOM, and is very familiar with the EIR process and CEQA requirements. They will be able to complete the analysis for Alternative 5B by the deadline, beginning the new public review period about the middle of August.

Mr. Oliver asked if there are any additional Conservancy costs for staff level or legal counsel.

Ms. Marks responded that there would be added staff time and some additional costs. This would be absorbed within the regular course of business; the primary cost would be postponement of other projects. Legal costs have increased and the Conservancy was successful in getting a budget increase in the proposed FY 17/18 budget that should cover the added costs. The City's proposal is not free, but the costs should not get in the way of proceeding in cooperation with the City.

Ms. Goodwin mentioned that she was concerned about ensuring the project moves ahead to meet the Conservancy's needs. She appreciates the City's effort to plan for the future; however, we must be sure this proposal does not hinder the completion of the Conservancy's environmental review project.

Ms. Vance stated her support for future efforts to develop operations and maintenance resources. However, approval of the EIR will not at that time approve funds to build the project. The EIR is a study

that, upon certification, would allow for project funding to be awarded in the future. Approval of the EIR and awarding project funding are separate decisions.

Ms. Lucchesi asked about the relationship between the City, their engineering study, AECOM, and the Conservancy as lead agency. The Conservancy's oversight of AECOM's work products must be independent. Ultimately the Conservancy will be responsible for the EIR and held accountable for any legal issue.

Mr. Crow added that the City's relationship with the Conservancy should be memorialized in an agreement to recognize everyone's roles.

Ms. Lucchesi suggested perhaps the contract between the City and AECOM could acknowledge the Conservancy's role.

Mr. Borgeas added that the agreement would include a provision regarding conflict of interest.

Mr. Frazier commented that although the Conservancy may be agreeing to study the 5B option, that does not necessarily mean that the alternative will be approved. The Board would continue to have the other options for access points. The City is trying to find an outcome that satisfies its constituents. The City's ability to work so quickly to move this proposal forward is a testament to their organization. This proposal provides more options and possibilities for more access. He will be considering what is best for the public, best for the project, and best for the taxpayer.

Ms. Forhan requested staff to provide a written update in July since there will not be a Board meeting and the timeline is so tight. She expressed her appreciation that so many people are engaged in discussion about the Parkway, and noted that the local agencies' engagement is essential to success. The Conservancy was formed to bring state and local agencies and citizen representatives together to develop the Parkway. She was pleased to see the engagement of the City at this juncture and is hopeful that the City's greater involvement will continue as the agencies move forward. She hoped the constituents recognized the need for collaboration. The Parkway is a tremendous regional asset. Her goal is to be sure access to the river is developed, and that the City and all the agencies come together to be sure the Parkway is completed in our lifetime.

Ms. Marks reported that Ms. Finn and Mr. Gresham had been unable to connect to the phone conference to participate in the meeting. They joined the meeting at 11:20 a.m. Mr. Brandau commented on the audio problems for Board members participating remotely.

Mr. Brandau asked Mr. Karl Kienow, with Blair, Church, and Flynn, and Mr. Young a number of questions to confirm they were confident that they would be able to complete the required work within the time limitations. They responded affirmatively.

Mr. Mozier commented that the project will be a collaborative effort between Blair, Church, and Flynn, AECOM, the City, and Conservancy staff.

Mr. Brandau commented that the City's effort has been mischaracterized in the press. He stated that the City has chosen to study what may be the best location for the access to the river. The City and all of the partners are heavily committed and invested in this project.

#### Public Comments:

Mr. John Mlotkowski, a forty-five year resident of Fresno and twenty-five year resident of Madera, stated that he has been involved in river and Parkway issues as much as possible over the years. He

is looking forward to the river access to be provided by this project. The project can move forward, and additional parking and access could be planned later. The City should have been involved in this project earlier and the Board should make sure this proposal should not result in a delay for the entire EIR.

Ms. Sharon Weaver, San Joaquin River Parkway and Conservation Trust, reviewed the background of the project. As of 1999 the Parkway Trust had secured four million dollars from the Packard Foundation to help purchase Spano River Ranch. The Trust also assisted with writing the grant proposals for public funds for the Conservancy to buy the property, which was purchased for \$10 million dollars total. Access to the property was provided at two public streets, Riverview Drive and the Perrin Alignment. In 2004, the Parkway Trust received a private donation to develop the first conceptual plan for public access, which was presented to the Conservancy Board. In 2007, the City received a grant from the Conservancy to plan for public access to the site. In 2008, the City held public workshops, and at a public meeting some neighbors threatened to sue if the project was approved. The River West property remains an important public investment for developing the Parkway. The City was the manager of the project for many years and there have been many opportunities to review every access point. She stated her belief that the proposal for more studies is a delay tactic. The City has said on many occasions that there is no money to develop new parks, yet they are willing to spend funds on these studies.

Mr. Cliff Tutelian, Park Place Holdings and Tutelian and Company, commented that as a developer, he is highly interested in the proposed project and the collaborative effort. He stated that without the commitment of the Parkway Trust and Conservancy, there would not be progress toward a river parkway. However, the agencies need to gather information and not lose sight of the concerns, and mitigating the concerns, of those potentially affected. His shopping center, for instance, is an investment that must be protected. To date, no funds have been identified by any of the agencies for operations. The residents do not want strangers parking in the neighborhoods, litter and debris, or their quiet enjoyment disturbed. At Park Place there has been vandalism, graffiti, and break-ins. The Board should review the planned parking for the project. He encouraged the Board to continue to involve the City and its citizens, and to consider how to mitigate the public's issues with thorough planning.

Ms. Clare Stevens, a resident of Fresno, registered her concern about maintaining the timeline for the project. Fourteen years after the property was acquired for the Parkway it remains closed for public use.

Mr. Tom Bohigian, a resident of Fresno, expressed his continued concern about meeting the timelines for the project. He understands that things take time, but there needs to be a commitment to make progress and complete the project. The community needs to step up and move forward on planning, make progress on finding operations resources, and complete the project in a reasonable timeframe. He pledged that he would work to raise private money to contribute to operations and maintenance. He is willing to do that to benefit the people of the area and of all of California, and in a timely fashion. He challenged the partners to build this project within three years.

Mr. Benjamin Aparicio, a park host at Sycamore Island and employee of the Parkway Trust, pointed out that the public is using and enjoying the river every day, but improvements are need to make this use clean and safe. Any parking on the project site would be better than the situation occurring now.

Mr. Chris Acree, cultural resource analyst for the Dumna tribal government, has submitted comments on the Draft EIR. There are archeological and cultural resources on the project site. He encouraged the Conservancy to consult with the tribal government and noted that AB 52 requires consultation with

tribal entities. (Mr. Acree initially stated that the tribe was not consulted for this project, and then later corrected his statement, noting that they were in fact consulted.)

Mr. Mike Claiborne, attorney at Leadership Counsel for Justice and Accountability and resident of Fresno, stated that his organization advocates for low income and disadvantaged communities of color in Fresno County, Fresno City, Madera County, and Madera City. Their interest in this project is to ensure equal access to the river and reduce travel for residents of Fresno. The Draft EIR presents a reasonable range of alternatives, including alternatives that would provide increased access. He echoes comments that the Conservancy should move forward; there is no reason to review alternatives again. He encouraged the Board to take action on the existing EIR at the August meeting. This should be on the agenda in case the City's work cannot be completed within the time limitations.

Ms. Anna Wattenbarger, a Madera resident, commented that she was happy the proposed project would provide parking access from Highway 41, convenient for Madera County residents. As a Parkway supporter and member of the Parkway Trust Board she was concerned that the proposed project did not also include access from the public road in Fresno. Riverview Drive was designed to accommodate traffic from a large subdivision planned in the past at the River West site. She urged the Board to place approval of the project on an agenda sooner rather than later, and expressed concern that it might be difficult to schedule Board meetings in November and December due to holidays.

Mr. Ted Morgan, a Fresno citizen, stated that he hoped that the perception that Board members are more concerned about specific constituents than the general public and rumors about delay tactics are not true. He would like to see this project completed with no further delays. If the December deadline passes without something being approved there will be many upset citizens.

Mr. Cobb, a Madera resident, made reference to his experience providing public access to the river at Cobb Ranch, and stated that the proposed project needs to be approved, even if there are only forty parking spaces. The Parkway will need docents to take care of the project and to educate the public.

Mr. Radley Reep, a Fresno resident, shared his concern that the Conservancy currently has a good, defensible EIR. If the City's additional data or environmental impact analysis are inconsistent with the existing Draft EIR, then it will generate problems. The City and staff should make sure the consultants are ready to handle such issues.

Ms. Mary Savala, a citizen involved early in organizing to protect the riverbottom and former member of the Conservancy Board, noted that access points to the river were a key part of the Parkway planning. There has been a huge investment in developing the Parkway, not only of public dollars, but of private funds as well. She expressed her concern that the City stepped in very late to argue about better ways to provide public access for the proposed project and that these actions could sabotage public access completely. She urged the Board to come to a vote and come to a decision right away.

Dr. David Grubbs, a Fresno resident, has been involved in the Parkway and River West for many years. He is not opposed to option 5B, and would be in favor of it if it would satisfy the nearby commercial landowners. His primary concern is that the Palm and Nees access is not enough for access to the project, and amenities such as boat launches are not included. He did not express confidence in the City because when they were in charge of the planning project in 2011 they scaled back the project. The project should be for everyone—schools and clubs, etc.—not just pedestrians and bikers. Mr. Grubbs urged the Board to approve Alternative 1, and to approve Alternative 5B later if it comes to fruition.

#### Board Comments:

Ms. Vance asked Mr. Tutelian to elaborate on the concerns he has about Alternative 5 having impacts to his shopping center. She noted that businesses are benefiting from being near the new Friant Interactive Nature Site (FINS) at the Fish Hatchery in Friant. Also, Woodward Park and the Eaton trail draw customers to the nearby businesses. If there was a river access trail near Palm Bluffs it would draw customers. It seems as though access to the project near his center would be an amenity.

Mr. Tutelian responded that an adequate amount of parking should be determined so that visitors do not burden the nearby properties. Due to budgetary challenges, there are negatives associated with fire and public safety. Visitors to Woodward Park do not park in the commercial parking areas because they are too far from the park. Woodward Park attracts law-abiding citizens that are complimentary to commercial centers. The river attracts criminal activities; he has experienced vandalism, threats of violence, marijuana use, and homeless people at the river near his property—these people offend his clients. The Parkway must plan to support activities that attract the desired visitors—school activities, an equestrian center, canoeing, etc. The Conservancy must encourage visitors that are complimentary to the area, and build parking and hours of operation around those activities and visitors. The project needs some commercial activity. He recognized the progress achieved by the River Parkway Trust and the Conservancy. He noted that the public access easement on his property will not support the traffic generated by the proposed project. If the property is left the way it is then there will be growth of homelessness and criminal activity.

Ms. Vance commented that the negative activities will not go away if the property is left as it is, undeveloped and unmanaged. They will not go away unless the Final EIR is approved for the proposed project and the site is developed and managed for public open space. A property that is closed primarily attracts people who are willing to trespass to do what they want.

Mr. Tutelian stated that he is in favor of option 5B because it's the most effective. Alternative 5B would take traffic from a signalized intersection and could provide parking on a landfill area that is valueless for other uses. Success means bringing in people, and it could mean commerce, such as a snow cone stand. The project should also include developed equestrian uses to generate funds and reduce the economic burden of providing operations and patrols. The project will need police, fire protection and other safety services. He stated that by planning for various activities the Conservancy could build in security for the project. These plans could move forward without delaying the EIR process and could build consensus among the stakeholders.

On Ms. Vance's inquiry, Ms. Marks confirmed that this is a project-specific EIR; the Board would consider certifying the EIR and approving the proposed project and any alternatives. After the Conservancy has ensured long term operations and management resources, funds for construction could be authorized by the Board. Eventually, the Board could also tier from the River West Fresno EIR and Parkway Master Plan EIR to develop future elements.

Ms. Lucchesi asked if there was a timeframe for when the City will submit the feasibility engineering analysis, so AECOM and the Conservancy can present the administrative draft August 9<sup>th</sup> and complete the environmental study for public release by August 16<sup>th</sup>.

Mr. Mozier stated that the City intends to meet that timeline. AECOM will complete an administrative draft for review at the end of July.

Ms. Lucchesi stated the importance of the Conservancy maintaining its independent integrity and control over the environmental analysis. The City can produce the engineering analysis, but the administrative draft of the revised Draft EIR must be developed by AECOM under the oversight of the Conservancy.

Ms. Marks responded that although the Conservancy will not have a contract with AECOM for this part of the work, the City will defer the oversight of preparation of the administrative revised Draft EIR to the Conservancy staff. The City has been collaborative and cooperative.

Ms. Lucchesi expressed concern about rushing through the Final EIR in order to vote before the end of the year. The EIR must be as strong and defensible as possible. There is no legal obligation for the Conservancy to pursue the revised Draft EIR to add the new alternative. This is an accommodation the Conservancy is making to allow the City to pursue this proposal. There should be specific dates for when the City and AECOM will submit their analyses for public release, in order to manage expectations. From a State Lands Commission perspective, the agency is involved throughout the state in increasing and improving public access to waterways and coastlines in an equitable and inclusive way. Bad actors may behave badly, but that should not stop efforts to complete this project, including in the future developing funding for operations, maintenance, and public safety.

Mr. Gibson thanked the public who participated in the meeting. He thanked Mr. Aparicio and the park hosts at Sycamore Island. He stated if anyone wants to witness the future management of River West then they should visit Sycamore Island, and see how well it is managed and how wonderful the visitors are. Even while the water is at dangerously high levels in the river, they are providing for safe boating on the ponds at Sycamore Island.

Mr. Frazier summarized that much of the discussion and concerns have been about meeting the Conservancy's tight timeframe. He asked if the City is not ready in August, can consideration of the EIR be placed on an agenda and move forward.

Ms. Marks stated that, if the City's proposal proves unable to meet the deadlines, it would be appropriate to get back on the track to complete the original EIR. Due to the time spent on this new effort, the Final EIR would not be ready by August. In August the Board will hit a fork in the road: either accept and circulate the revised Draft EIR, or direct staff to return its time and attention to completing the original EIR as soon as is possible.

Mr. Borgeas emphasized that if there are any concerns along the way about the City's work or timeframe, the concerns should be conveyed immediately to the City and the consultants. There are many people involved in this, and we need to respect their efforts.

Ms. Marks responded that there have been good communications between the Conservancy and the City Manager and the Public Works Director; they are all proceeding with the understanding that there will be a full CEQA analysis of Alternative 5B and not just a feasibility study. A board briefing report will be sent to the Board and posted on the website in July as requested by Ms. Forhan, and the Board will be able to determine if it accepts the revised Draft EIR for recirculation in August. She suggested the Board meet August 9<sup>th</sup> instead of August 2<sup>nd</sup> to allow time to prepare the documents.

Mr. Borgeas polled the Board and determined a quorum will be present if the meeting is held August 9<sup>th</sup>.

On inquiry from Ms. Vance, Mr. Borgeas directed that if the Board has any questions about the process or the Board briefing report, they should be directed to Ms. Marks.

G-2 Authorize Bond Funds to Augment a Grant to River Partners for the Habitat Restoration Project on the City of Fresno's Riverbottom Park Property and the Conservancy's Schneider Property

Staff Recommendation: It is recommended the Board approve an augmentation of \$193,155 in bond funds for an existing project to provide habitat restoration on 147 acres located on the City of Fresno's Riverbottom Park property and the Conservancy's Schneider property. The augmentation would bring the total project contract with River Partners to \$897,605 to complete the restoration. Wildlife Conservation Board (WCB) authorization would be requested at their August 2017, meeting.

Ms. Marks stated that staff was prepared to answer any questions the Board had; information was presented in the staff report.

**It was moved by Mr. Brandau and seconded by Mr. Frazier to approve staff's recommendation for Item G-2.**

Public Comment:

Mr. Louis Moosios, and landowner and river guide, asked whether the project would continue to use herbicides or would use manual weed control.

Mr. Jeff Holt, of River Partners, confirmed that herbicides and hand labor are used during the plant establishment period. He would answer any further questions Mr. Moosios had after the meeting.

Mr. Acree, a volunteer for Revive the San Joaquin, noted that they had been involved in the development of the proposal for a restoration grant. Since Revive did not have the required insurance to be the lead grantee, the grantee was River Partners. River Partners subcontracted with Revive to provide services. Revive is in a contract dispute with River Partners, and claims for reimbursement have not been paid. They tried to have Wildlife Conservation Board (WCB) mediate the dispute, but WCB will not perform that role. He thought the Conservancy could mediate the dispute; Revive's only recourse is legal action.

On inquiry from Mr. Borgeas, Ms. Marks confirmed that the Conservancy approved funding for the grant to River Partners, and does not have a contractual relationship with Revive the San Joaquin. Mr. Borgeas stated that it does not appear the Conservancy has legal standing to become involved in the dispute.

Ms. Forhan stated that she didn't feel comfortable approving Item G-2 after the dispute was brought to the Board's attention.

Ms. Marks reported that she researched the issue. The Conservancy Board authorized a grant to River Partners and did not commit to any specific role or sub-grant with Revive the San Joaquin. The resulting grant from WCB to River Partners does not specify work for Revive the San Joaquin. This dispute has been ongoing for several years, and she has spoken with project managers on both sides. The dispute is internal to the parties; there were misunderstandings about the scope of Revive's work and its independence to carry out work. She recommends that the Conservancy should not be side-tracked over their dispute. She stated that the need for the augmentation is well documented, River Partners has achieved good success, and the cost per acre restored is relatively low. The project will run out of funds for irrigation by August, therefore the augmentation is very time sensitive.

Mr. Donnelly noted that WCB's grant is with River Partners. WCB does not have an obligation to step in with regard to a dispute between a grantee and its subcontractor. He did not believe there was a legal issue with regard to the proposed action, but would look into it upon return to his office.

Mr. Frazier noted that without continued irrigation in August, all of the investment will be wasted and the plants will die.

Mr. Acree again stated that he participated in the process to secure the funding for the project, and feels he was misled into thinking that Revive the San Joaquin had a partnership with River Partners to implement the project.

Ms. Finn left the conference call prior to the vote.

**The voting members passed the motion by majority vote as follows:**

ROLL CALL TO VOTE:

Name	Yes	No	Abstain
Mr. Andreas Borgeas	X		
Mr. Brett Frazier	X		
Mr. Steve Brandau	X		
Mr. Will Oliver	X		
Ms. Barbara Goodwin	X		
Ms. Julie Alvis	X		
Ms. Julie Vance	X		
Mr. Kent Gresham	X		
Mr. John Donnelly			X
Ms. Jennifer Lucchesi	X		
Ms. Bryn Forhan		X	
Mr. Paul Gibson	X		

Mr. Borgeas and Mr. Brandau left at 12:30 p.m.

G-3 Authorize a Multi-Benefit Water Quality, Water Supply, Ecosystem and Watershed Protection and Restoration (Proposition 1) Grant to the Department of Water Resources for an Off-Stream Recreational Fishing Public Access Project at the Conservancy's Sycamore Island

Staff Recommendation: It is recommended the Board approve \$1,606,627 in Proposition (2014) bond funds and a grant agreement with the California Department of Water Resources (DWR) to implement the Sycamore Island Fishing Pond Enhancement Project. Wildlife Conservation Board (WCB) authorization would be requested at their August 2017 meeting.

Ms. Raus reported that the proposed project would include a boat-launching and fish-stocking ramp, an ADA-accessible path and fishing pier, an improved parking lot, and a restroom on a pond at Sycamore Island. The total project cost is approximately \$1,962,058; DWR is requesting \$1,606,627 and they will contribute \$187,000. The Department of Fish and Wildlife (DFW) will provide in-kind services totaling approximately \$223,431. The project will help accomplish an important component of the San Joaquin River Restoration Program by providing off-stream recreational fishing. The project is also consistent with the Parkway Master Plan objectives, including habitat conservation and enhancement, public access, and recreation.

Public Comment:



Mr. Moosios commented that approving the grant project is great idea to improve the fishing ponds. He asked some questions about the location and function of the proposed French drains. Ms. Erica Myers, with DFW, confirmed the French drains were designed as Mr. Moosios suggested.

**It was moved by Mr. Gibson and seconded by Ms. Forhan to approve staff's recommendation for Item G-3. The voting members unanimously passed the motion as follows:**

**ROLL CALL TO VOTE:**

Name	Yes	No	Abstain
Mr. Brett Frazier	X		
Mr. Will Oliver	X		
Ms. Barbara Goodwin	X		
Ms. Julie Alvis	X		
Ms. Julie Vance	X		
Mr. Kent Gresham	X		
Mr. John Donnelly	X		
Ms. Jennifer Lucchesi	X		
Ms. Bryn Forhan	X		
Mr. Paul Gibson	X		

**H. ADMINISTRATIVE AND COMMITTEE REPORTS**

If time allows, the following oral reports will be provided for informational purposes only, and may be accompanied by written reports in the Board packet. No action of the Board is recommended.

**H-1 Organizations**

**H-1a San Joaquin River Parkway and Conservation Trust**

Ms. Weaver shared that The Big 5K Run was going to take place that evening at the River Center sponsored by Fleet Feet.

**H-1b RiverTree Volunteers**

**H-2 Deputy Attorney General**

There was no report.

**H-3 Executive Officer**

There was no report.

**H-4 Board Members' Reports**

There were no reports.

**I. EXECUTIVE SESSION**

None.

J. NOTICE OF BOARD, ADVISORY, AND PUBLIC MEETINGS

None.

K. NEXT BOARD MEETING DATE

There is no meeting scheduled for July 2017. The next meeting of the Board is scheduled for a Wednesday in August. Please check [www.sjrc.ca.gov](http://www.sjrc.ca.gov) for the final meeting date and agenda.


L. ADJOURN

Mr. Frazier adjourned the meeting at approximately 12:46 p.m.

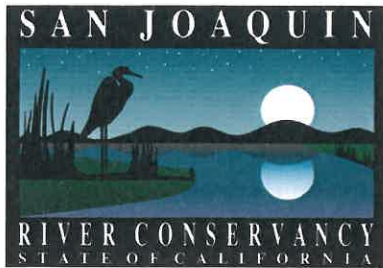
***The Board adjourned in memoriam and commemoration of Neng Thoa, of Fresno, an 18 year old honors student at Edison High School and member of the City of Fresno Youth Commission, who drowned on the San Joaquin River on May 20, 2017.***

Board meeting notices, agendas, and approved minutes are posted on the Conservancy's website, [www.sjrc.ca.gov](http://www.sjrc.ca.gov). For further information or if you need reasonable accommodation due to a disability, please contact Rebecca Raus at (559) 253-7324 or [Rebecca.Raus@sjrc.ca.gov](mailto:Rebecca.Raus@sjrc.ca.gov).

Respectfully Submitted,



Melinda S. Marks, Executive Officer



## SAN JOAQUIN RIVER CONSERVANCY

### *Agenda Item*

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Item F-1

October 4, 2017

TO: San Joaquin River Conservancy Governing Board

FROM: Melinda S. Marks, Executive Officer

**SUBJECT: Report on Renewal of Agreement with Fresno Metropolitan Flood Control District for Administrative Support and Office Space**

#### RECOMMENDATION:

This staff report is provided for informational purposes. The Executive Officer has been delegated the authority to execute agreements necessary to the routine operations of the Conservancy, such as this agreement with the Fresno Metropolitan Flood Control District which will commence in November 2017 and extend through April 30, 2019, and will provide reimbursement to the District for utilities and janitorial costs associated with the Conservancy's occupancy of three office spaces, hourly administrative and technical support services, and other direct costs.

#### SUMMARY:

The District has provided office space, the use of office equipment, and administrative and technical support services to the Conservancy since 2000. Staff time for administrative and technical support, utilities, janitorial services, and direct costs for faxes, copy machines, the postage meter, and phones are charged at cost. All are critical to the performance of essential Conservancy services. The current agreement for \$18,000, executed in summer 2016, will be fully expended within the next couple of months.

The new agreement will also total \$18,000. The agreement will begin this fall and continue until all of the funds are spent, in the range of twelve to sixteen months.

The new agreement is subject to the approval of the District's Board and will be presented at an upcoming meeting.

#### DISCUSSION:

The existing utilities and administrative support agreement provides for the use of three offices for a total of \$260 per month to cover the incremental janitorial and utilities costs incurred by the District to provide use of available space. Due to increased costs for janitorial services and utilities, the monthly rate is expected to increase slightly. The use of copy machines, postage meter, fax, phones, long distance service, and extraordinary janitorial services are at cost, plus 10% to cover administrative overhead.

The agreement provides reimbursement from the Conservancy to the District for administrative and technical support services at the rate of hourly wages including benefits, plus 10%

overhead. Hourly support services have included office assistance, layout and graphics, mapping, computer trouble-shooting, occasional field assistance, and other requested services.

The agreement will identify the new monthly rate for office space (the cost of utilities and janitorial services), as determined by District accounting. There are sufficient funds for the agreement available in the Conservancy's main support budget.

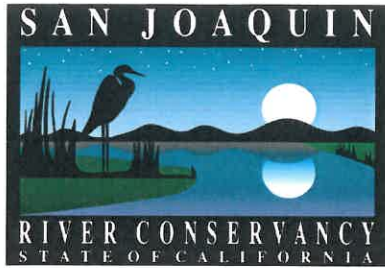
Fresno Metropolitan Flood Control District has been generous in extending to the Conservancy available office space, excellent office equipment, and supplemental staff resources at a nominal cost. The location provides a close working relationship with this member agency and has been invaluable to the small staff and resources of the Conservancy, as it has excellent map resources, meeting facilities, and advisory expertise. The agreement provides for efficient use of taxpayers' dollars.

The Conservancy thanks the Fresno Metropolitan Flood Control District for its assistance and technical support. Both the District's material support and collaboration with the Conservancy to develop the Parkway and efficiently serve the public are very much appreciated.



Rebecca Raus

Associate Governmental Program Analyst



## SAN JOAQUIN RIVER CONSERVANCY

### *Agenda Item*

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Item: F-2

October 4, 2017

TO: San Joaquin River Conservancy Governing Board

FROM: Melinda S. Marks, Executive Officer SUBJECT: **Authorize Continuation of Sycamore Island Concession Agreement with San Joaquin River Parkway and Conservation Trust****RECOMMENDATION:**

It is recommended the Board authorize the Executive Officer to confirm in writing the continuation of the Sycamore Island concession agreement with the San Joaquin River Parkway and Conservation Trust for two additional years, through December 31, 2019, as allowed in the agreement, with all other terms and conditions to remain the same.

**SUMMARY:**

The Moen family operated Sycamore Island for public fishing as early as the 1960's. Since 2005, when the State acquired the property, the Conservancy continued weekend public access through a series of concession agreements. The property has been improved with vault toilet restrooms and picnic shelters, and is the site of an off-stream fishing access improvement project funded by the Conservancy's Multi-Benefit Watershed Protection and Restoration Grant Program (Proposition 1).

As the result of a competitive Request for Proposals process in 2012, the River Parkway Trust entered into a concession agreement to operate Sycamore Island seasonally for five years. The term of the agreement extends to December 31, 2017; however, the agreement allows an extension of not more than two years upon mutual agreement of the parties. The River Parkway Trust has indicated it is willing to continue the current agreement.

The River Parkway Trust has a record of successful operation of the public access site. Visitors have increased, the visitor base has broadened beyond traditional anglers, and no significant complaints about operations have been received by the Conservancy. The River Parkway Trust has brought in new activities, including the fishing derby with the Department of Fish and Wildlife, canoe and kayak rentals, and school programs. As reported to the Board after the 2016 season, the River Parkway Trust continues to subsidize operations with its own fund sources as well as collecting user fees, but hopes to break even through increased visitors in the next few years.

Meanwhile, the Conservancy has approved a public access master plan for the River West Madera area, including Sycamore Island and the neighboring Van Buren Unit. With the recently completed road connection between the two units as a part of the Conservancy's Gravel Pit Isolation and Floodplain Improvement Project, the Conservancy can consider expanding public access services to the Van Buren Unit in a new concession agreement in the next few years.

These factors justify continuing the concession agreement and delaying a new, time-consuming Request for Proposals process at this time.

In 2016 there were over 9,000 visitors to Sycamore Island, and over 7,000 visited in February through July, 2017, with four months remaining in the season after July. The concession agreement is designed to ensure adequate services are provided and to optimize recovery of the cost of services for the concessionaire. The concession agreement generates a very small amount of revenue for the San Joaquin River Conservancy fund; annual budget appropriations in the SJRC fund provide for fundamental property management, such as gate repairs, illegal dumping and trash cleanup, etc.

The Conservancy extends its appreciation to the River Parkway Trust for its stewardship and collaboration with the Conservancy at Sycamore Island.



## SAN JOAQUIN RIVER CONSERVANCY

*Agenda Item*

Item F-3

October 4, 2017

TO: San Joaquin River Conservancy Governing Board

FROM: Melinda S. Marks, Executive Officer 

**SUBJECT: Notice of Release of Proposal Solicitation Package, Multi-Benefit Water Quality, Water Supply, Ecosystem and Watershed Protection and Restoration Grant Program (Proposition 1, 2014)**

**RECOMMENDATION:**

This report is for informational purposes. No Board action is recommended.

**SUMMARY:**

On September 25, 2017, the Conservancy released the Proposal Solicitation Package (PSP) for the Multi-Benefit Water Quality, Water Supply, Ecosystem and Watershed Protection and Restoration Grant Program (Proposition 1, 2014). The Grant Guidelines and PSP are available on the Conservancy website, [www.sjrc.ca.gov](http://www.sjrc.ca.gov). The Conservancy e-mailed solicitation notices to 106 agencies and interested parties. Two months, through December 5, 2017, are provided between the release of the PSP and the deadline for submitting applications.

**DISCUSSION:**

The following information is posted on the Conservancy's website:

**San Joaquin River Conservancy  
Notice: Now Accepting Proposition 1 Grant Applications**

**Multi-Benefit Water Quality, Water Supply, Ecosystem and Watershed Protection and Restoration Grant Program**

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) was approved by voters in November 2014. The total amount of funding authorized in Proposition 1 for the San Joaquin River Conservancy's watershed protection and restoration grant program is \$10 million. The Governor's approved 2017-2018 budget includes a third-year appropriation of \$3.0 million for Conservancy grants. The total funding available for the 2017-2018 grant cycle is approximately \$5.9 million of which approximately \$533,000 could be used for planning projects. Grants will be awarded on a competitive basis using the application and evaluation process contained in the Grant Guidelines and Proposal Solicitation Package (PSP).

The PSP provides specific information and instructions for applying for a grant. Applicants should carefully review the Guidelines for additional information and to ensure their proposal addresses all requirements. Applicants will be required to complete the forms and the required exhibits. **All materials, including the application, attachments, and supporting**

**documentation, must be successfully submitted by 5:00 p.m. on December 5, 2017, late submittals will not be accepted.**

The Grant Guidelines describe in detail the Conservancy's statutory mission, goals, objectives, and jurisdiction; the statutory purposes and intent of the grant program; and the relevant guiding plans, such as the San Joaquin River Parkway Master Plan (1997) and the California Water Action Plan. The Guidelines provide information on: program focus and benefits, anticipated types of projects, eligible grantees, eligible projects, ineligible projects, grant requirements, grant agreement provisions, and the evaluation and award process. The Guidelines also provide definitions and web links to useful references.

A [link](#) to read the adopted Final Project Solicitation and Evaluation Guidelines. Applicants should use these Guidelines in conjunction with the Proposal Solicitation Package when applying for Conservancy Proposition 1 grants.

A [link](#) to read the adopted Proposal Solicitation Package.

A [link](#) to download the Proposal Solicitation Package application.

A [link](#) to download the Detailed Budget.

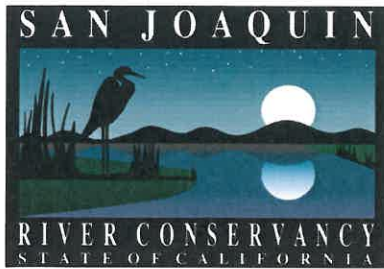
### **Submittal Requirements**

Now through Tuesday, December 5, 2017 the Conservancy is accepting grant applications in the form of a complete PSP. Applicants must submit one original, four photocopies, and one electronic copy for each proposal, on CD-ROM to:

Melinda Marks, Executive Officer  
San Joaquin River Conservancy  
5469 East Olive Avenue  
Fresno, CA 93727

The complete PSP must be received at the San Joaquin River Conservancy (not postmarked) by 5:00 p.m. on December 5, 2017.





## SAN JOAQUIN RIVER CONSERVANCY

### *Agenda Item*

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Item G-1

October 4, 2017

TO: San Joaquin River Conservancy Governing Board

FROM: Melinda S. Marks, Executive Officer 

**SUBJECT: Presentation by Trust for Public Land on Fresno Parks and Recreation Public Financing Studies**

#### RECOMMENDATION:

This report is for informational purposes. No Board action is recommended.

#### SUMMARY:

The Trust for Public Land (TPL) is a national nonprofit organization dedicated to conserving land for people to enjoy as parks, gardens, and natural areas. Since 1972, TPL has conserved more than three million acres nationwide. To help state agencies and local governments acquire land and create and improve parks, TPL assists communities in identifying and securing public financing. TPL's Conservation Finance program offers technical assistance to elected officials, public agencies and community groups to design, pass and implement public funding measures that reflect popular priorities.

In February 2016, the City of Fresno, Office of the Mayor asked TPL to explore public funding options available for park improvements and enhancing park access in the city. The resulting study (attached) presents several viable local options for funding parks, and provides analysis of which local options and funding levels are feasible, economically prudent, and likely to be publicly acceptable.

TPL followed the study with a limited public opinion survey to assess Fresno residents' overall priorities for Fresno, satisfaction with and priorities for local parks and recreation, and the feasibility of a potential revenue ballot measure to fund the maintenance and improvement of local parks, trails, and recreational programs.

Mary Creasman, TPL's California Director of Government Affairs and a Board member of the California Wildlife Conservation Board, will present highlights of the studies. Both studies were completed by TPL at no cost to the City. The information developed by TPL is advancing the issue and helping to hone possible ballot proposals.

Local and regional stakeholder groups and activists have been meeting together for the past few years to develop options for parks support, including possible ballot measures, under the facilitation of Lee Ayres, Executive Director of Tree Fresno, and Ashley Swearingen, Executive Director, and Danielle Bergstrom, Policy Director, of the Central Valley Community Foundation.

#### DISCUSSION:

The Central Valley has long been recognized as an underserved area for parks, public open space, trails, and recreation programs, including environmental education and cultural arts. Government agencies in the region have struggled to sustain adequate budgets to operate and maintain their parks, to improve and expand their park facilities, and to meet needs in neighborhoods with minimal access to parks.

TPL actively advocates for cities to ensure their residents have good access to parks and to the benefits parks provide. TPL has developed a tool, "Parks Score," to evaluate parks and access among cities in the nation. The highest ranking cities not only have high per capita park acreage, but also have walking access for residents to their local parks. Fresno's most recent score was ranked 90 of the 100 largest cities in the U.S. TPL's nationwide Park Score report can be found at [www.parkscore.tpl.org](http://www.parkscore.tpl.org). Stakeholders and public agencies are using this tool to analyze the Fresno area's specific needs, including the City of Fresno which is investing in an updated Parks Master Plan.

CONSERVATION FINANCE FEASIBILITY STUDY (DRAFT) | MAY 2017

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## CITY OF FRESNO, CALIFORNIA

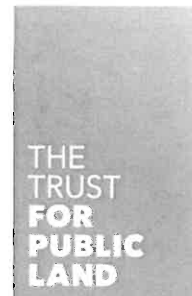


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Cover photo: Credit: Dayana Jiselle, Tree Fresno. Radio Park, City of Fresno, CA





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Disclaimer: This feasibility study is not a legal document and should not be relied upon as a legal opinion.

## INTRODUCTION

The Trust for Public Land (TPL) is a national nonprofit organization dedicated to conserving land for people to enjoy as parks, gardens, and natural areas. Since 1972, TPL has conserved more than three millions acres nationwide. To help state agencies and local governments acquire land and create and improve parks, TPL assists communities in identifying and securing public financing. TPL's Conservation Finance program offers technical assistance to elected officials, public agencies and community groups to design, pass and implement public funding measures that reflect popular priorities.

Since 1996, TPL has been involved in more than 500 successful ballot measures and twenty successful legislative campaigns that have created more than \$66 billion in new funding for parks, land conservation, and restoration. Voters have approved 81 percent of the ballot measures supported by The Trust for Public Land.

In California, TPL works to plan, fund, protect, and create to craft customized solutions to local parks and conservation challenges. TPL has assisted with statewide ballot measures to generate funding for parks, wildlife habitat and water, including Propositions 40, 50 and 84. Most recently, TPL assisted with the 2014 water bond measure. At the local level, TPL has provided technical assistance and planning services to cities and counties.

In Fresno County, TPL completed 11 land protection projects that help protect land for people. This includes an expansion of the San Joaquin River Parkway between the river and Highway 41, in collaboration with the San Joaquin River Conservancy and San Joaquin River Parkway Trust, in 2003.<sup>1</sup>

In February, the City of Fresno, Office of the Mayor asked The Trust for Public Land to explore public funding options available for park improvements and enhancing park access in the city. This study presents several viable local public options for funding parks; and provides analysis of which local options and funding levels are feasible, economically prudent, and likely to be publicly acceptable. This research provides a stand-alone, fact-based reference document that can be used to evaluate financing mechanisms from an objective vantage point.<sup>2</sup> Research for this report was conducted in summer of 2016. Minor revisions were made in January 2017.

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<sup>1</sup> "San Joaquin River Parkway Grows (CA)." The Trust for Public Land. November 12, 2003. Accessed July 18, 2016. <https://www.tpl.org/media-room/san-joaquin-river-parkway-grows-ca>

<sup>2</sup> The contents of this report are based on the best available information at the time of research and drafting, April – July 2016. A minor update was conducted in January 2017.



## EXECUTIVE SUMMARY

The Trust for Public Land is undertaking feasibility analysis to explore funding options in the City of Fresno to address the need to create reliable funding for parks improvements and enhancing park access. The report primarily investigates the authority and revenue capacity of the city to raise funds for park improvements and enhanced park access. A summary of these options is presented in Appendix A. As voter approval would be required to implement a public finance measure, this report also explores election history. This information plays an important role in informing the city, TPL and its partners as they design a parks, trails and land conservation measure for the city. In order to understand what would be an appropriate funding source, appendices B through D of this report briefly delve into the city's background for a general overview of its land, people, parks, economy and the growth trends that have shaped it in recent years.

Many opportunities exist to fund park improvements and enhanced park access in the City of Fresno. The most feasible or commonly used funding mechanisms are summarized below, and are presented in no particular order.

1. **Bonds.** Two-thirds of the electorate must approve issuance of general obligation bonds. A \$50 million bond would cost the average homeowner in Fresno \$15 per year. Revenue could not be used for operations and maintenance.
2. **Parcel Tax.** Two-thirds of city voters must approve the tax. A \$15 per parcel tax would generate about \$2 million a year and cost the average homeowner \$15 per year. Voters could also approve a per square foot parcel tax. Revenue could be used for operations and maintenance.
3. **Transactions (Sales) and Use Tax.** Two-thirds of city voters must approve a tax for specific purposes, and a simple majority of city voters must approve a general tax. A 0.125 (one-eighth) percent sales tax increase would generate approximately \$13.6 million annually cost the average homeowner \$13 a year, or just over \$1 a month. Revenue could be used for operations and maintenance.
4. **Charter Amendment.** Voters could consider a charter amendment that instructs the city to allocate a portion of existing property or other taxes to park and open space purposes. This mechanism does not create additional public funds but would secure a certain funding level for parks and open space from existing revenues. Revenue could be used for operations and maintenance.
5. **Special District.** The city could explore the option of creating a special district in a specific area with the power to impose taxes and/or assessments and to issue bonds for park acquisition subject to voter or landowner approval. Revenue could be used for operations and maintenance.

This feasibility report is meant to inform the city's consideration of new funding for park improvements and enhancing park access by identifying potential funding mechanisms and determining the fiscal capacity and implementation requirements of various approaches. Next steps should include narrowing funding options to those that match the needs identified by the City of Fresno and testing voter attitudes toward a specific set of funding proposals. TPL recommends conducting a public opinion survey that tests ballot language, tax tolerance, and program priorities of voters in the City of Fresno.

## REVENUE OPTIONS FOR PARKS

### Choosing a Funding Strategy

Generally, there are three primary types of revenue sources available to local governments to pay for parks and land conservation: discretionary annual spending, creation of dedicated funding streams, and debt financing. The financing options utilized by a community will depend on a variety of factors such as taxing capacity, budgetary resources, voter preferences, and political will.

Significant, dedicated funding generally comes from broad-based taxes and/or the issuance of bonded indebtedness, which often require the approval of voters. In TPL's experience, local governments that create funding via the legislative process provide substantially less funding than those that create funding through ballot measures. As elected officials go through the process of making critical budgetary decisions, funding for land conservation often lags behind other public purposes, and frequently less than what voters would support. It is understandably often difficult to raise taxes without an indisputable public mandate for the intended purpose.

The power of conservation finance ballot measures is they provide a tangible means to implement a local government's vision. With their own funding, local governments are better positioned to secure scarce funding from state or federal governments or private philanthropic partners. In California, dedicated funding secured through sources such as ballot measures allows communities to opportunistic acquisition and secure matching funds for grant opportunities. Having a predictable funding source empowers the city or county to establish long-term conservation priorities that protect the most valuable resources, are geographically distributed, and otherwise meet important community goals and values.

Nationwide, a range of public financing options has been utilized by local jurisdictions to fund parks and open space, including general obligation bonds, the local sales tax, and the property tax. Less frequently used mechanisms have included special assessment districts, real estate transfer taxes, impact fees, utility fees, and income taxes. The ability of local governments to establish dedicated funding sources depends upon state enabling authority. In California, bonds, sales taxes and parcel taxes are among the most common funding mechanisms. Additional information on local public finance is included in Appendix E.

Conservation finance measures are not right for every local government or they might not be the right approach at the moment. Budget appropriations and other revenue sources that can be implemented through the legislative process may well serve as short-term funding options while conservation proponents develop a strategy and cultivate broad support for longer-term finance

Public Conservation Finance Mechanisms in California				
Summary of Local Ballot Measures from 1996-2016				
Funding Mechanism	# Passed	# Failed	Total Measures	% Passed
Benefit Assessment	11	3	14	79%
Bond	22	5	27	81%
Charter Amendment	6	0	6	100%
Motor Vehicle Tax	0	1	1	0%
Parcel Tax	14	10	24	58%
Sales Tax	7	8	15	47%
Transient Occupancy Tax		3	3	0%
Utility Tax	4	0	4	100%
Vehicle License Fee	0	1	1	0%
Other	0	1	1	0%
Grand Total	64	32	96	67%

options.

Roughly 67 percent of local conservation finance measures (64 of 96) on the ballot in California between 1996 and 2016 were approved. Success at the ballot is hampered somewhat in the state by the high approval threshold (two-thirds vote) required for local bond and special tax measures.

The financing options described in the following sections of this report present opportunity for local support of parks, trails and land conservation to the City of Fresno.

As previously mentioned, appendix A contains a chart summarizing the specific options available to the City of Fresno. Appendix E contains an overview of local public finance in California. For a list of land conservation measures in California, see Appendix F to this report. Appendix G contains an overview of types of local government tax levies and Appendix H contains a summary of the approval requirements for local revenue measures. Some of the specific finance options available in the City of Fresno are described below.

The chart below shows how the ten most populous cities in California compare in terms of population, taxable sales, locally assessed value, and a potential sales tax increase.

<b>Comparison of Population, Taxable Sales, Potential Sales Tax Revenue, and Assessed Values - 10 Most Populous Cities in California</b>							
<b>Population Rank</b>	<b>City</b>	<b>County</b>	<b>Population</b>	<b>2015 Taxable Sales</b>	<b>Revenue generated by 1/8% Sales Tax</b>	<b>Tax Revenue per Capita - 1/8% sales tax.</b>	<b>Locally Assessed Value (2015-2016)</b>
1	Los Angeles	Los Angeles	3,999,237	\$ 44,046,697,725	\$ 55,058,372	\$ 13.77	\$ 500,360,925,000
2	San Diego	San Diego	1,390,878	\$ 22,498,142,826	\$ 28,122,679	\$ 20.22	\$ 209,339,167,000
3	San Jose	Santa Clara	1,036,325	\$ 15,172,852,583	\$ 18,966,066	\$ 18.30	\$ 150,339,604,000
4	San Francisco	San Francisco	864,889	\$ 18,871,834,144	\$ 23,589,793	\$ 27.27	\$ 192,095,376,000
5	Fresno	Fresno	520,778	\$ 7,426,270,571	\$ 9,282,838	\$ 17.82	\$ 31,515,329,000
6	Sacramento	Sacramento	486,111	\$ 6,183,425,063	\$ 7,729,281	\$ 15.90	\$ 41,348,687,000
7	Long Beach	Los Angeles	479,756	\$ 4,999,872,212	\$ 6,249,840	\$ 13.03	\$ 50,105,751,000
8	Oakland	Alameda	423,191	\$ 4,455,626,884	\$ 5,569,534	\$ 13.16	\$ 48,315,252,000
9	Bakersfield	Kern	379,210	\$ 5,917,675,657	\$ 7,397,095	\$ 19.51	\$ 25,993,471,000
10	Anaheim	Orange	355,692	\$ 6,652,443,191	\$ 8,315,554	\$ 23.38	\$ 39,815,181,000
Tax figures provided by California Board of Equalization. Population data provided by California Department of Finance							

## Parcel Tax

### Background

A parcel tax is a levy on parcels of property and is typically set at some fixed amount per parcel. Parcel taxes cannot be based on a property's value.<sup>3</sup>

<sup>3</sup> "A Look at Voter-Approval Requirement for Local Taxes." Legislative Analyst's Office – The California Legislature's Nonpartisan Fiscal and Policy Advisor. March 20, 2014. Accessed June 10, 2016. <http://www.lao.ca.gov/reports/2014/finance/local-taxes/voter-approval-032014.aspx>

The California Taxpayers Association identified the two most common types of parcels taxes as “fixed amount flat rate” and “fixed amount square footage” – both are described in more detail below. Parcel taxes are generally based upon the use, size and/or number of units on each parcel. Generally, state law requires that parcel taxes apply uniformly to all types of property, but some jurisdictions are levying taxes that violate this requirement. Some jurisdictions also include exemptions for parcels owned by seniors, low income households, and taxpayers with disabilities.

Parcel taxes are used to provide various local government and school services. Under Proposition 13, parcel taxes are the only source of locally-controlled, general purpose tax revenue for most special districts, school districts, and community college districts.<sup>4</sup>

Most parcel taxes are flat-rate taxes –that is, the same regardless of the parcel’s size or use. From 2002 to 2012, flat rate taxes represented 86 percent of the 389 parcel taxes proposed by school districts, 51 percent of those proposed by cities, and 75 percent of those proposed by special districts. The median rate was \$96 per parcel. Among cities that enacted flat-rate parcel taxes during this period, the median was \$60 per parcel.

A parcel tax is a special tax and requires two-thirds voter approval for implementation.

From 2002 to 2012, cities placed 124 parcel tax proposals on the ballot and 59 measures passed – a 48 percent success rate. In comparison, 60 percent of school district measures and 45 percent of special district measures passed.<sup>5</sup> The median flat-rate parcel tax for cities was \$60. Flat rate taxes represented 51 percent of those proposed by cities. Local governments are not required to include a sunset date for parcel taxes. About one-third of parcel taxes are imposed in perpetuity.

### **Using a Parcel Tax for Park Improvements and Enhanced Park Access**

California municipalities, counties and special districts often use parcel taxes to generate funding for parks and land conservation. Since 1990, nine communities have passed a parcel tax for land conservation and open space purposes.

In November 2016, more than 75 percent of voters in Los Angeles County approved a parcel tax to fund parks. This measure is discussed in greater detail later in this report. County voters narrowly rejected a parcel tax for parks in 2014.

In June 2016, voters in the nine San Francisco Bay Area counties – Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma – approved a \$12 per year per parcel tax to fund efforts for restoration efforts in the San Francisco Bay. This first of its kind measure is expected to generate \$500 million over 25 years.

In 2014, voters in the Santa Clara County Open Space Authority approved a \$24 per parcel tax for 15 years to improve parks, open spaces and trails and to protect land, water quality and wildlife habitat. In 2012, voters in the Santa Monica Mountains Recreation and Conservation Authority approved a \$24 per parcel tax. In 2005, voters in the Marinwood Community Services District in Marin County approved a proposal to increase their parcel fee by \$75 to \$150 to support parks and open space.

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<sup>4</sup> Ibid.

<sup>5</sup> Sonstelle, Jon. *Parcel Taxes as a Local Revenue Source in California*. Public Policy Institute of California. April 2015, 4.

In the early 2000s, voters in the California cities of Davis, Monrovia, San Carlos, and Santa Monica each approved parcel tax measures to fund the protection of open space. California counties and special districts, including the Marin County Open Space District, Sacramento County, Santa Clara County Open Space Authority and Mountains Recreation and Conservation Authority, also approved parcel tax measures to fund the protection of open space.

Voters also approve parcel tax measures to exclusively support park development and maintenance. Between 2008 and 2015, the time period for which extensive data is readily available, voters approved more than 15 parcel tax measures for parks and recreation purposes. These include cities such as Davis, Wildomar, Carmichael, Clayton and Berkeley.

The proceeds of a parcel tax may be used for multiple purposes, as long as such purposes are described in the ballot measure.

Appendix I contains examples of successful ballot language for park and conservation city parcel tax measures.

#### Considerations for a Parcel Tax

Considerations with regard to landowner equity exist for each of these parcel tax structures. A common criticism of the parcel tax is that fixed rates result in a regressive tax that disproportionately burden residents who can least afford to pay.

A flat per parcel tax would result in the same charge to every parcel, regardless of size or value. For example, a multimillion dollar home would pay the same amount as a parcel so small that it cannot be utilized. While a parcel tax based on square footage ameliorates the disparity somewhat by imposing a greater cost for larger parcels – presumably wealthier homeowners tend to live on larger parcels – the model may place unfair burden on large parcels of little value. A tax with a relatively low annual cost could help to minimize these potential disparities.

The most straightforward solution to address equity concerns, basing the tax on the value of land or allowing different tax rates according to land use, is prohibited by California law. A tax on property value is prohibited by Proposition 13 and the application of state laws requiring uniformity in taxation to all taxpayers or all real property within a jurisdiction is unclear,

#### Using the Parcel Tax for Park Improvements and Enhanced Park Access in the City of Fresno

There are two primary options for the City of Fresno when considering a parcel tax. Each is described below.

##### Flat per parcel tax

Based on the number of taxable parcels in the City of Fresno (135,651), a relatively small parcel tax levied citywide would produce considerable annual revenue. For example, a flat \$15 per parcel tax would generate roughly \$2 million in annual

Estimated Revenues and Costs of a Flat Parcel Tax	
Fresno, CA	
Charge Per Parcel/ Annual Cost to Average Homeowner	Annual Revenue
\$5	\$678,255
\$10	\$1,356,510
\$15	\$2,034,765
\$20	\$2,713,020
\$25	\$3,391,275
\$30	\$4,069,530
\$40	\$5,426,040
\$50	\$6,782,550
Number of parcels provided by Michael Lima, City of Fresno Finance Director/Controller.	

revenue.<sup>6</sup> The chart to the right details various hypothetical rates.

### **Square-footage tax**

Alternatively, a special parcel tax could be levied as a fixed amount per square footage. In order to provide estimates of potential revenue and homeowner cost, The Trust for Public Land would need additional data on the total square footage of taxable property in the city as well as the average square footage for a single family residential property.<sup>7</sup>

### **Process for Implementation**

A city, county or special district contemplating a special tax levy must hold a noticed public hearing and adopt an ordinance or resolution prior to placing the tax on the ballot. The ordinance or resolution must specify the purpose of the tax, the rate at which it will be imposed, the method of collection, and the date of the election to approve the tax levy. Approval by a two-thirds vote of the city electorate is necessary for adoption.

An ordinance must be approved by at least four city council members.<sup>8</sup> Generally, ordinances may not be adopted by the Council within five days of when they are introduced or altered after introduction.<sup>9</sup> The Mayor holds veto power over all legislative actions of the city council.<sup>10</sup> Generally, five city council votes are needed to override a mayoral veto.<sup>11</sup>

At least 88 days prior to the date of the election, the city council must call for an election and set forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot.<sup>12</sup>

A parcel tax election must be conducted on any established election dates, which include June and November of each year, in April of even-numbered years, in March of odd-numbered years, and in February of each presidential election year.

A local tax measure may be proposed via a local voter initiative. This process is explained further in the report, in the section entitled “Initiative and Referendum.”

### **Examples**

#### **Los Angeles County**

On November 8, 2016, Los Angeles County voters overwhelmingly approved a ballot measure that imposed a parcel tax to generate dedicated funding for park projects. 75 percent of voters supported the measure. The measure will generate about \$95 million annually in perpetuity. The measure also includes a dedicated set-aside for park poor communities and the expenditure plan ensures that substantial funds are available for maintenance and improvements to parks. The tax imposes a 1.5-cent levy per square foot of building area and would cost a 1,500 square foot house about \$22.50 a year. It will also increase with inflation over time. County officials commissioned a parks needs

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<sup>6</sup> Note, these figures are estimates.

<sup>7</sup> The Trust for Public Land attempted to calculate per- square foot estimates in June 2016, but was unable to develop a reliable estimate.

<sup>8</sup> City of Fresno Charter Article VI Sec. 601.

<sup>9</sup> City of Fresno Charter Article VI Sec 600.

<sup>10</sup> City of Fresno Charter Article VI Section 605

<sup>11</sup> City of Fresno Charter Article VI Sec 609.

<sup>12</sup> California Elections Code 10403

assessment across the county, which found large disparities in park access across the county.<sup>13</sup> The project represented an unprecedented effort to document existing parks and recreation facilities in cities and unincorporated communities and to use these data to determine the scope, scale, and location of park need in Los Angeles County. The needs assessment helped local officials, park agencies, and residents understand the future steps that need to be taken to ensure all communities have adequate access to thriving parks.<sup>14</sup> The November 2016 measure reflected many of the important findings of the needs assessment.<sup>15</sup>

### Davis

In Davis (Yolo County), voters in 2012 passed a Park Maintenance Tax and Open Space Protection Tax with 84 percent of the vote. The tax was a continuation of an existing parcel tax. Voters previously approved the \$49 per residential parcel tax in 2000 and 2006. According to documents and reports prepared surrounding the 2012 extension, the tax generated approximately \$1.37 million annually and accounted for about 25 percent of the money the city dedicates to maintaining parks.<sup>16</sup>

Qualified low-income homeowners may receive a full refund of the Davis Park Maintenance Tax and Open Space Protection Tax. This is an annual refund program, not an exemption from the tax that appears on a property tax bill.<sup>17</sup>

### Bonds

To raise funds for capital improvements, such as land acquisition or building construction, counties, cities and districts may issue bonds.<sup>18</sup> In California, the major types of bonds include: (1) general obligation (“GO”) bonds, which are guaranteed by the local taxing authority; (2) revenue bonds that are paid by project-generated revenue or dedicated revenue stream such as a particular tax or fee, and (3) limited tax bonds, which are paid by voter-approved transactions and use tax revenue. Generally, bond proceeds are limited to capital projects and may not be used for operations and maintenance purposes.<sup>19</sup>

In California, general obligation bonds are repaid with proceeds from ad valorem property taxes. These are calculated based on the assessed value of land and improvements. Voters do not approve a fixed tax rate for general obligation bond indebtedness. Instead, the rate adjusts annually so that it raises the amount of money needed to pay the bond costs.<sup>20</sup> Voter-approved general obligation

<sup>13</sup> Sewell, Abby. “L.A. County voters to decide on parks tax, possible homeless tax in November.” Los Angeles Times. July 5, 2016. Accessed July 12, 2016.

<sup>14</sup> “Executive Summary of the Los Angeles Countywide Comprehensive Parks & Recreation Needs Assessment.” Los Angeles County Department of Parks & Recreation. May 3, 2016. Accessed August 4, 2016. <http://lacountyparkneeds.org/wp-content/uploads/2016/05/Executive-Summary.pdf>

<sup>15</sup> “Los Angeles Countywide Comprehensive Parks & Recreation Needs Assessment.” Accessed August 4, 2016. [Lacountyneeds.org](http://Lacountyneeds.org)

<sup>16</sup> Sakash, Tom. “Davis voters to decide fate of parks tax.” *The Davis Enterprise*. April 27, 2012. Accessed July 18, 2016. <http://www.davisenterprise.com/local-news/city/davis-voters-to-decide-fate-of-parks-tax/>

<sup>17</sup> Local governments sometimes utilize the —Measure A and BII approach. In this case, the local agency places two measures before the voters: Measure A — a general tax and Measure B — an advisory measure requesting the local legislative body use funds raised by Measure A for a specific purpose. It is important to remember that while this approach may help garner voter support, the advisory measure is not legally binding.

<sup>18</sup> Cal. Public Resources Code §5305.

<sup>19</sup> Federal government rules governing the issuance of tax-exempt bonds limit the use of proceeds to capital purposes such that only a small fraction of bond funds may be used for maintenance or operations of facilities. State and local laws may further limit the use of bond proceeds.

<sup>20</sup> <http://www.lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx>

bonds provide the lowest cost of bond types and provide a new and dedicated revenue source in the form of additional ad valorem taxes to pay debt service. The issuance of a GO bond must be approved by a two-thirds majority of those voting on the bond proposition.<sup>21</sup> The use of bond proceeds is limited to the acquisition and improvement of real property.<sup>22</sup> Statewide, the average property tax bill includes voter-approved debt rates that total about one-tenth of one percent of assessed value.<sup>23</sup>

This report will examine general obligation bonds only.

## Debt and Property Tax in the City of Fresno

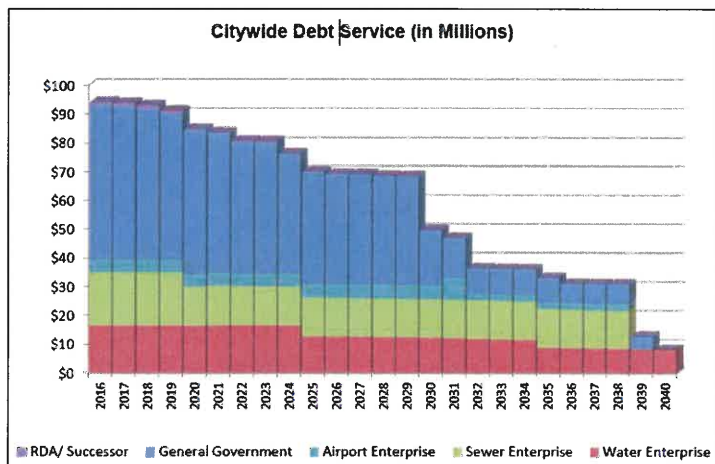
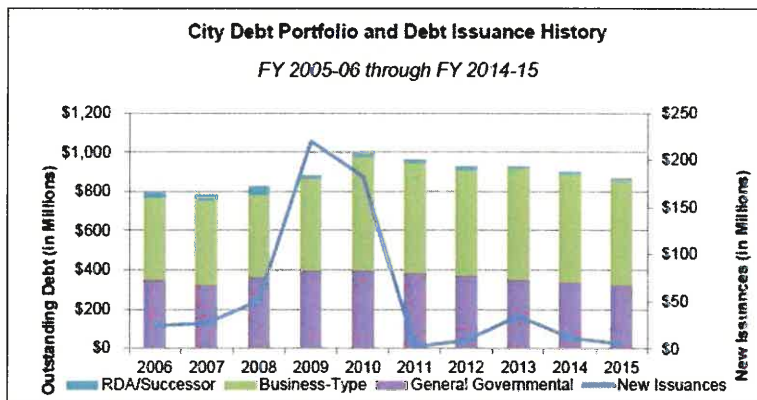
As previously mentioned, a detailed exploration of the City of Fresno's budget and fiscal health is included in Appendix D. This section focuses solely on debt as it applies to voter-approved general obligation bonds.

As of March 31, 2016, the City of Fresno has no voter-approved debt. The City of Fresno has never had total debt outstanding of greater than \$1 billion.

The debt limit is 20 percent of assessed value, pursuant to the city charter. For FY15, the assessed value is \$30,083,476,000 and the debt limit is \$6,016,695,000.<sup>24 25</sup> As Fresno has no general obligation debt outstanding, the debt limit is equal to the legal debt margin.<sup>26</sup>

The 2015-2016 Adopted Budget stated that the city realizes that it cannot currently support debt of that magnitude with its current tax base and is very cautious about issuing general obligation debt.

A voter-approved bond issue would be repaid with a corresponding property tax increase. Property subject to general property taxation in Fresno County is assessed at its full cash value. The tax rate in Fresno is



<sup>21</sup> California State Constitution, Article 16 – Public Finance, Section 18

<sup>22</sup> California State Constitution, Article 16 – Public Finance, Section 16(c)

<sup>23</sup> <http://www.lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx>

<sup>24</sup> Fresno City Charter Article XII, Section 1213

<sup>25</sup> City of Fresno Fiscal Year 2015 Comprehensive Annual Financial Report, Page 256.

<sup>26</sup> Excerpted from City of Fresno 2015-2016 Adopted Budget Page A - 11



approximately 1.1 percent. The rate for specific properties varies and is based on the Tax Rate Area in which the property is located.<sup>27 28</sup>

The City of Fresno maintains the following three debt performance indicators:

- Net direct debt (tax-supported General Fund debt, net of self-supporting and revenue anticipation debt) to assessed value shall not exceed three percent
- Percentage of principal on net direct debt Retired in ten years shall average 35 percent and 40 percent within 15 years; and
- Net direct debt as a percentage of General Fund appropriation shall be less than 10 percent

### Using Bonds for Park Improvements and Enhanced Park Access

The City of Fresno could generate substantial funds for park improvements and enhanced park access at a relatively low cost to taxpayers by issuing bonds. The subsequent table illustrates the estimated annual debt service, required property tax increase, and annual household cost of different G.O. bond issues. For instance, a \$50 million, twenty-year general obligation bond for would require a property tax rate increase of \$0.122 per \$1,000 to meet the annual debt service and cost the average homeowner about \$15 per year.

TPL's bond cost calculations provide an estimate of debt service, tax increase, and cost to the average homeowner in the community of potential bond issuances for park improvements and enhanced park access. Assumptions include the following: the entire debt amount is issued in the first year and payments are equal until maturity; 20-year maturity; and four percent interest rate. Property tax estimates assume that the city would raise property taxes to pay the debt service on bonds; however other revenue streams may be used. The cost per household represents the average annual impact of increased property taxes levied to pay the debt service. The estimates do not take into account growth in the tax base due to new construction and annexation over the life of the bonds. The jurisdiction's officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond. Typically, bond proceeds are limited to capital projects and may not be used for operations

Estimated General Obligation Bond Financing Costs - City of Fresno, CA				
Bond Issue	Annual Debt Service	Property Tax Rate Increase	Cost/Year/ \$100k value	Cost/Year/Average Home
\$ 20,000,000.00	\$1,471,635	0.049	\$ 4.55	\$ 6.12
\$ 30,000,000.00	\$2,207,453	0.073	\$ 6.82	\$ 9.18
\$ 40,000,000.00	\$2,943,270	0.098	\$ 9.10	\$ 12.25
\$ 50,000,000.00	\$3,679,088	0.122	\$ 11.37	\$ 15.31
\$ 60,000,000.00	\$4,414,905	0.147	\$ 13.65	\$ 18.37
\$ 70,000,000.00	\$5,150,723	0.171	\$ 15.92	\$ 21.43
\$ 80,000,000.00	\$5,886,540	0.196	\$ 18.20	\$ 24.49
2015 Comprehensive Annual Financial Report. Average home value is \$190,800.				
Note: Average assessed Value for a single family home was not provided by the Fresno County Assessors Office. Instead, The Trust for Public Land used the average assessed value of a single family home in the Fresno Unified School District. While this is not a completely accurate comparison, it is the best information available at the time of drafting.				

<sup>27</sup> City of Fresno 2016-2017 Proposed Budget Page D-1.

<sup>28</sup> Subject to Section 96.31 of the Revenue and Taxation Code, the City of Fresno is authorized to impose a property tax levy at the rate of 0.032438 per \$100,000 of gross assessed valuation to benefit the Fire and Police Retirement systems.

and maintenance purposes.<sup>29 30</sup> The acquisition or development of park lands could result in the future need for additional funds for maintenance and operations.

Appendix J contains examples of successful ballot language for park and conservation city bond measures.

### **Process for Implementation**

The city council must pass a resolution, with a two-thirds majority of all its members, determining that the public interest or necessity demands the acquisition, construction or completion of any municipal improvement.<sup>31</sup>

At any subsequent meeting, the city council must pass an ordinance, with a two-thirds majority vote of all its members, ordering the submission of the proposition of incurring bonded debt. The purpose of the bonded debt must be for the same purpose as set forth in the initial city council resolution.<sup>32</sup>

The ordinance must include the following information: the object and purpose of incurring the debt, the estimated cost of the public improvements, the amount of the principal on the indebtedness (which shall not exceed eight percent, and need not be recited if it does not exceed 4.5 percent), the date of the election, the manner of holding the election, and the procedure for voting for or against the proposition.<sup>33</sup> The ordinance shall be published once a day for at least seven days in a newspaper published at least six days a week in the city.<sup>34</sup>

A two-thirds majority of the votes cast on the proposition is required for passage.<sup>35</sup>

The city council must pass an ordinance or resolution calling the election at least 88 days prior to the date of the election. At the same time or in conjunction with, the city council must adopt and file a resolution requesting a consolidation of the election with Fresno County. The city council must file this resolution with the Fresno County Board of Supervisors and a copy with the elections officials (County Clerk). The resolution must do all of the following:

- Request that the city election be consolidated with the statewide election
- Set forth the exact form of the question or proposition to be voted upon at the election, as it is to appear on the ballot. The question or proposition to appear on the ballot shall
- Acknowledge that the consolidated election will be held and conducted in the manner prescribed in California Elections Code Section 10418.

A Tax Rate Statement must also be filed by the 88<sup>th</sup> day before the election.

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<sup>29</sup> Federal IRS rules governing the issuance of tax-exempt bonds limit the use of proceeds to capital purposes such that only a small fraction of bond funds may be used for maintenance or operations of facilities. State and local laws may further limit the use of bond proceeds.

<sup>30</sup> The "cost" of a project for a general county purpose includes construction contracts and the cost of engineering, architectural, technical, and legal services, preliminary reports, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights-of-way, supervision, inspection, testing, publications, printing and sale of bonds, interest during the period or estimated period of construction and for twelve months thereafter or for twelve months after the acquisition date, and provisions for contingencies. Iowa 331.441(2)(c)(11)(3).

<sup>31</sup> California Elections Code §43607.

<sup>32</sup> California Elections Code §43608.

<sup>33</sup> California Elections Code §43610.

<sup>34</sup> California Elections Code §43611.

<sup>35</sup> California Elections Code §43614.

California law states that when a city planning commission and the legislative body approve a group of municipal projects as constituting a city plan, the legislative body may submit a single bond proposition covering the entire group of improvements.<sup>36</sup>

If the measure is approved, the city may begin levying the amount necessary to pay principal and interest on the bonds on the next property tax bill.<sup>37</sup>

A local tax measure may be proposed via a local voter initiative. This process is explained further in the report, in the section entitled "Initiative and Referendum."

## Examples

### Oakland

In Oakland, voters approved three bonds for parks and open space in the last 30 years. In 1990, voters approved a \$60 million bond for open space, parks and recreation. In 1996, voters approved a \$45.42 million bond for recreation and parks. In 2002, voters approved a \$198.25 million bond for watershed protection and open space. Voters also approved a \$600 infrastructure bond in November 2016 that contains approximately \$35 million for parks and recreation projects.

### Martinez

In 2008, voters in Martinez approved a \$30 million bond to make safety improvements to neighborhood parks, playgrounds, sporting fields and a pool – as well as to renovate a library and improved disabled access to parks and libraries. The measure passed with nearly 69 percent support.<sup>38</sup>

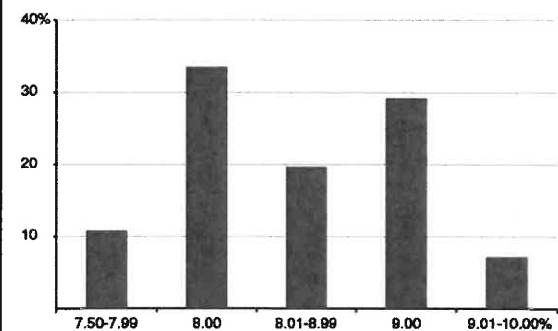
## Transaction (Sales) and Use tax

### Background

California's state and local governments levy a tax on retail sales of tangible goods. This tax consists of a sales tax on retailers and a use tax on buyers. In 2003, Governor Gray Davis signed SB566, which gave every county and every city authority

**Most Californians Live Where the Sales Tax Rate Is 8 Percent or 9 Percent**

Share of California's Population



Source: California's Legislative Analyst's Office, May 5, 2015.

### Cities with Transactions and Use Taxes

Effective as of 1 October 2016

143 Cities with Approved Transactions and Use Taxes

Rate	0.25%	0.50%	0.75%	0.875%	1.00%	1.50%	1.75%
General/Special	14	75	15	1	34	3	1

### Special (Earmarked) Transactions and Use Taxes in Cities

Effective as of 1 Oct 2016 -- 27 Approved Rates in 25 Cities

Rate	0.25%	0.50%	0.75%	1.00%
Police &/or Fire / EMS	4	9	2	1
Streets/Roads/Transit		5		1
Hospital/Medical		1		1
Parks/Recreation/OpenSpace		1		1
Libraries	1			1
Community Center		1		1
Wastewater Treatment	1			1
<b>Total</b>	<b>6</b>	<b>17</b>	<b>2</b>	<b>2</b>

Source: CaliforniaCityFinance.com

<sup>36</sup> California Elections Code §43603

<sup>37</sup> "What is a General Obligation Bond?" California Tax Data. Accessed June 24, 2016.

<http://www.california-taxdata.com/pdf/GOBond.pdf>

<sup>38</sup> <http://www.smartvoter.org/2008/11/04/ca/cc/meas/H/>

to seek voter approval of a local transactions and use tax increase under certain conditions.

California has a state-mandated minimum sales tax of 7.25 percent. This consists of a 6.25 percent state sales tax and a uniform 1.0 percent uniform local tax for counties and cities.<sup>39 40</sup> Many of California's cities, counties, towns and communities have special taxing jurisdictions (districts), which may impose a transactions (sales) and use tax. These districts increase the tax rate in a particular area by adding the district tax to the statewide tax. The rates for these districts range from 0.10 percent to 1.00 percent per district. More than one district tax may be in effect in a given location.<sup>41</sup>

**The total aggregate sales and use taxes for all taxing entities in Fresno County may not exceed two percent, for a total of 9.25 percent.**<sup>42 43</sup> In recent years, some localities have received permission from the state to levy a rate in excess of this maximum. As of August 2016, eight communities currently had a 10 percent sales tax rate. The state's average rate was roughly 8.5 percent.

The proceeds of the sales tax for specific purposes may be used to finance capital outlay expenditures through the issuance of limited tax bonds.

#### Recent Trends

As of August 2016, there were currently 143 cities (not including the City and County of San Francisco) with voter approved transactions and use tax rates. Although most are general purpose, majority approval rates, twenty-five cities have special purpose, two-thirds approval rates. Greenfield in Monterey County has the highest combination of city rates, 1.75 percent general purpose, including a 1 percent rate originally approved in 2012 and a 0.75 percent additional rate approved in November 2015.

From 1995 through June 2016, 448 proposals for local transactions and use taxes have been submitted to the voters. General taxes (general purposes, majority voter approval) have become more common in recent years. Since 2008, 78 percent (153 of 197) of proposals were general purpose majority vote. From 1995 through 2008, just 45 percent (112 of 251) were general purpose. Prior to the passage of SB566 in 2003, a local agency needed special legislation to propose a transactions and

Sales and Use Tax Rates - Major California Cities		
City	Rate	County
Fremont	9.250%	Alameda
Oakland	9.250%	Alameda
Salinas	8.875%	Monterey
Long Beach	9.750%	Los Angeles
Los Angeles	8.750%	Los Angeles
Sacramento	8.250%	Sacramento
San Francisco	8.500%	San Francisco
San Jose	8.750%	Santa Clara
Porterville	8.250%	Tulare
Tulare	8.250%	Tulare
Clovis	7.975%	Fresno
Fresno	7.975%	Fresno
Anaheim	7.750%	Orange
Irvine	7.750%	Orange
San Diego	7.750%	San Diego
Bakersfield	7.250%	Kern
Data provided by California State Board of Equalization as of 1.1.2017		

Sales and Use Tax Rates - Central Valley Cities		
City	Rate	County
Huron	8.975%	Fresno
Salinas	8.875%	Monterey
Stockton	8.750%	San Joaquin
Sanger	8.725%	Fresno
Reedley	8.475%	Fresno
Selma	8.475%	Fresno
Porterville	8.250%	Tulare
Tulare	8.250%	Tulare
Clovis	7.975%	Fresno
Fresno	7.975%	Fresno
Visalia	8.000%	Tulare
Madera	7.750%	Madera
Modesto	7.375%	Stanislaus
Note: All other Fresno County cities are 8.225%. Data provided by California State Board of Equalization as of 1.1.2017.		

<sup>39</sup> Cal. Revenue and Taxation Code §6051, §6201; Cal. Const. Art. XIII, Sec. 35.

<sup>40</sup> Cal. Revenue and Taxation Code §7202(a), §7203 ("the Bradley-Burns Uniform Local Sales and Use Tax Law").

<sup>41</sup> Cal. Revenue and Taxation Code §7202(a), §7203 Food for home consumption and utilities are exempted from sales and use taxes.

<sup>42</sup> California Revenue and Taxation Code §7251.1. And [http://info.sen.ca.gov/pub/bill/sen/sb\\_0551-0600/sb\\_566\\_cfa\\_20030910\\_013808\\_asm\\_floor.html](http://info.sen.ca.gov/pub/bill/sen/sb_0551-0600/sb_566_cfa_20030910_013808_asm_floor.html). Prior to the passage of SB566 in 2003, cities had to first receive legislative approval to impose an additional sales tax.

<sup>43</sup> Except for Los Angeles, Alameda and Contra Costa Counties where the maximum may not exceed 2.5 percent

use tax. Most legislation authorized only two-thirds vote special taxes. But general tax proposals are now more common.<sup>44</sup>

### **California Proposition 30**

In November 2012, California voters approved a constitutional amendment that authorizes sales and income tax increases. The amendment temporarily raised the state's portion of sales tax by 0.25 percent for four years, from January 1, 2013 through December 31, 2016. This increase expired at the end of 2016.

### **Sales Tax in the City of Fresno**

As of January 1, 2017, the total sales and use tax rate in the City of Fresno is 7.975 percent.<sup>45 46 47</sup> The City of Fresno's sales tax rate is among the lowest of Central Valley cities and major California cities. There are no voter-approved taxes imposed by the City of Fresno.

### **Voter-Approved Sales Taxes in Fresno County**

Fresno County currently imposes three voter-approved sales taxes totaling 0.725 percent. As such, the sales tax rate throughout much of Fresno County is 7.975 percent. They are described below.

#### **Countywide Transportation Sales and Use Tax**

In 1986, Fresno County voters passed Measure C, a half-cent sales tax aimed at improving the overall quality of Fresno County's transportation system, including the County and all 15 cities within the County. In its first 20 years, Measure C delivered more than \$1 billion of improvements to state highways and county roadways, and has helped the building of additional lanes and freeway improvements throughout the County. As a result of the successful original measure, Fresno County voters chose to extend Measure C for an additional 20 years in 2006.

The Measure C Extension (2007-2027) not only funds improvements of local roadways by repairing potholes and paving streets and sidewalks, but also funds ride-share incentive programs and environmental enhancement programs such as replacing the oldest school buses in the state that will lessen the impact of emissions in the Central Valley. The Fresno County Transportation Authority (FCTA) is the entity created by legislation to administer the Measure C program and ensure the revenue is received and distributed appropriately.<sup>48</sup>

#### **Fresno Zoo**

In 2004, Fresno County voters approved Measure Z, a 0.1 percent sales tax, with 75 percent of the vote. The measure generated almost \$100 million in revenue – two thirds of which was used for capital improvements and the remaining one-third for operational costs and to keep admission prices level. Measure Z funded the construction of popular exhibits such as Sea Lion Cove and African Adventure. In November 2014, Fresno County voters approved a 10 year extension of the

<sup>44</sup> Excerpted from: Coleman, Michael. "The Rise of Local Add-on Sales (Transactions and Use) Taxes in California." CaliforniaCityfinance.com July 7, 2016. Accessed July 13, 2016.

<sup>45</sup> City of Fresno 2016-2017 Proposed Budget Page D-1

<sup>46</sup> City of Fresno Code of Ordinances Article 3, Section 7-301.

<sup>47</sup> City of Fresno Code of Ordinances Article 4, Section 7 – 402.

<sup>48</sup> This section largely excerpted from <http://www.measurec.com/faq>

measure. Funds will provide for new exhibits and renovations to existing animal habitats.<sup>49</sup> Measure Z is administered by the Fresno County Zoo Authority, a public agency. A private non-profit entity, the Fresno-based Chaffee Zoo Corporation, is responsible for the zoo.<sup>50</sup>

### Libraries

In 1998, Fresno County voters approved a one-eighth cent sales tax to fund library services for the Fresno County Public Library system. County voters extended the tax in 2004.

In November 2012, voters approved an extension of the tax until 2029. If the measure had failed, library officials stated that service reductions, such as cutting half of the system's staff and closing half of the system's branches, would have occurred. In 2011, the sales tax accounted for 45 percent of the system's \$26 million budget.<sup>51</sup> The tax generated over \$160 million between 1998 and 2012.<sup>52</sup>

### Using the Transactions (Sales) and Use Tax for Park Improvements and Enhanced Park Access in the City of Fresno

The City of Fresno could seek voter approval for a sales tax increase that would benefit park improvements and enhanced park access. Funds could be used for capital purposes such as land acquisition and park development, as well as for operation and maintenance of existing park facilities. The sales tax rate may be raised in increments of 0.125 percent. However, the city could seek approval from the legislature for a different increment.

Based on taxable sales in Fiscal Year 2015, a 0.125 percent increase would generate approximately \$13.6 million in revenue. A one percent increase would generate approximately \$10.86 million. The chart to the right provides additional estimates, as well as how much sales tax capacity would remain following an increase.

Estimated Revenue and Cost of a Transactions (Sales)			
City of Fresno, CA			
Sales Tax Rate	Annual Revenue*	Annual Cost/ Household	Available Rate Remaining
0.125%	\$ 13,579,738	\$13	1.150%
0.250%	\$ 27,159,475	\$26	1.025%
0.375%	\$ 40,739,213	\$39	0.900%
0.500%	\$ 54,318,950	\$52	0.775%
*Estimated based on FY15 total taxable sales of \$10,863,790,000 - provided by City of Fresno. **Assumes 25 percent of household income is spent on taxable items= \$10,364. ***Based on 2010-2014 median household income of \$41,455 - U.S. Census Bureau Quickfacts. ****Average household spending multiplied by est. # of households in the city (160,172). Figures provided by city of Fresno and U.S. Census Bureau QuickFacts			

### Process for Implementation

Following notice and public hearing, the city council may propose by ordinance or resolution the adoption of a special tax.

The ordinance or resolution must include:

- the type of tax to be levied

<sup>49</sup> Sheehan, Tim. "Returns point toward victory for Fresno County zoo sales tax." *The Fresno Bee*. November 4, 2014. Accessed June 22, 2016. <http://www.fresnobee.com/news/politics-government/election/article19526955.html>

<sup>50</sup> Measure Z. Fresno Chaffee Zoo. Accessed June 22, 2016. <http://www.fresnochaffeezoo.org/measure-z/>

<sup>51</sup> "FM3 Poll: Fresno County residents overwhelmingly support the extension of a sales tax for public libraries." *Fairbank, Maslin, Maullin, Metz & Associates*. April 24, 2012. Accessed June 10, 2016. <http://fm3research.com/news/2012/04/24/fm3-poll-fresno-county-residents-overwhelmingly-support-the-extension-of-a-sales-tax-for-public-libraries/>

<sup>52</sup> Moore, Joe. "Fresno County Voters Approve Library Tax Renewal, While Measure O Trails." *KVPR*. November 7, 2012. Accessed June 10, 2016. <http://kvpr.org/post/fresno-county-voters-approve-library-tax-renewal-while-measure-o-trails>

- the rate of tax to be levied
- the method of collection
- the date upon which an election shall be held to approve the levy of the tax

The Fresno City Council must approve an ordinance proposing the tax with a two-thirds vote of all members at least 88 days prior to the election.<sup>53</sup>

If the tax is a general tax, it must be approved by a simple majority vote of those voting on the issue.<sup>54</sup> A simple majority is defined as 50 percent of voters plus one additional voter. If the tax is for a specific purpose, it must be approved by a two-thirds vote of those voting on the issue.<sup>55</sup> Following voter approval, the city may levy the tax.<sup>56</sup>

A special tax measure that is subject to voter approval must include the following accountability measures:<sup>57</sup>

- a statement indicating the specific purposes of the special tax
- a requirement that the proceeds be applied only to the specific purposes identified
- The creation of an account into which the proceeds shall be deposited
- an annual report

The California Board of Equalization recommends that any locality contemplating a transactions and use tax should begin by contacting its Local Revenue Allocation Section. Staff will assist with the preparatory functions for placing a proposal on the ballot to ensure the tax ordinance complies with law.

Local governments sometimes utilize the Measure A and B approach. In this case, the local agency places two measures before the voters: Measure A – a general tax, and Measure B – an advisory measure requesting the local legislative body use funds raised by Measure A for a specific purpose. It is important to remember that while this approach may help garner voter support, the advisory measure is not legally binding.

Appendix K contains examples of successful ballot language for park and conservation city transactions (sales) and use tax measures.

A local tax measure may be proposed via a local voter initiative. This process is explained further in the report, in the section entitled “Initiative and Referendum.”

### **Municipal Sales Tax Measures in California – November 2016**

At least two cities in central California sought voter approval in November 2016 for sales tax measures to generate dedicated funding for parks.

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<sup>53</sup> California Code §7285.9

<sup>54</sup> California Code §7285.9

<sup>55</sup> California Code §7285.91

<sup>56</sup> California Code §50077

<sup>57</sup> California Code §50075.1

In San Joaquin County, voters in the City of Lodi rejected a one-eighth (0.125 percent) sales tax increase for repairs, improvements, and upgrades to existing parks.<sup>58 59</sup> Voters also rejected a one-quarter (0.25 percent) sales tax increase for increased staffing and training of police and fire personnel. Both measures contain 15 year sunset clauses, an annual report, and a citizen oversight committee.<sup>60</sup>

In Fresno County, voters in the City of Kerman rejected a three quarter cent (0.75 percent) sales tax for public safety, parks, and downtown revitalization.<sup>61</sup>

As these measures are special purposes taxes, two-thirds voter approval was required.

### Examples of Sales Tax Programs Across the Country

Across the nation, voters in more than 50 cities have passed sales tax increases and extensions for parks, recreation, and land conservation funding. These include major cities such as: Phoenix, Arizona, Colorado Springs, Colorado, St. Louis, Missouri, Albuquerque, New Mexico, Arlington, Texas, and San Antonio, Texas.<sup>62</sup>

In Utah, cities and counties may authorize a one-tenth of one percent sales tax for financing parks, botanical, cultural, recreational and zoological purposes.<sup>63</sup> In 1996, In November 1996, Salt Lake County voters approved the first RAP (Recreation, Arts, Parks) tax. In 2001, the law was expanded to allow cities to pass a local tax, as long as the county was not already imposing the tax.

A significant number of Utah counties and municipalities impose a RAP tax. Utah Code permits counties and municipalities to use their funds for a variety of activities. This affords municipalities and counties flexibility in customizing their programs to support local needs. Counties and municipalities vary in their administration of RAP funds. Some counties and municipalities allocate RAP money to secondary recipients through competitive grants.<sup>64</sup>

### Charter Amendment

In California, local charter governments can dedicate funds from existing taxes to specific purposes, including parks purposes. A charter amendment instructs the governing body to allocate a portion of existing taxes each year to the specified purpose. Unlike a bond or tax increase, however, a charter amendment does not create new money – it just allocates current revenue to a specific purpose. Two communities in California have asked voters to approve a charter amendment dedicating a portion of the existing tax revenue to parks. They are Santa Clara County and the City of San Francisco. Both counties received voter approval to continue and expand their set asides in 2016.

A charter amendment could be used to cover a portion of the cost of a city parks and open space system in conjunction with other funding. Allocations designated by a charter amendment are generally expressed as an amount equal to a percentage of the assessed value of all property

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<sup>58</sup> Pohlman, Sara Jane. "Measure to support Lodi's parks kicks off campaign." *Lodi News-Sentinel*. Lodi, CA. August 1, 2016. Accessed August 2, 2016. [http://www.lodinews.com/news/article\\_0787c92c-5872-11e6-b0f0-8f11530dac71.html](http://www.lodinews.com/news/article_0787c92c-5872-11e6-b0f0-8f11530dac71.html)

<sup>59</sup> <http://www.lodi.gov/clerk/aaPDFimages/07-06-16agnPACKET.pdf>

<sup>60</sup> Vaughn, Danielle.

"Lodi sales tax measures going to November ballot." *Lodi News-Sentinel*. Lodi, CA. July 7, 2016. Accessed August 2, 2016. [http://www.lodinews.com/news/article\\_fdab1e3c-4475-11e6-960d-b3162ea61b88.html](http://www.lodinews.com/news/article_fdab1e3c-4475-11e6-960d-b3162ea61b88.html)

<sup>61</sup> <http://cityofkerman.net/wp-content/uploads/2014/05/Agenda-Packet-2016-07-06-linked-2.pdf>

<sup>62</sup> The Trust for Public Land's LandVote database. Accessed July 26, 2016.

<sup>63</sup> Utah Code 3.10.010

<sup>64</sup> "A Review of the Use and Accountability of RAP Tax Funds Statewide. Report Number 2010-07" Office of Legislative Auditor General. State of Utah. July 2010. Accessed July 26, 2016. [https://le.utah.gov/audit/10\\_07arpt.pdf](https://le.utah.gov/audit/10_07arpt.pdf)



## Examples

In Santa Clara County, the Park Charter Fund provides stable funding for the Santa Clara County Parks System to support recreational opportunities, park improvements, and open space protection through the county. Since 1972, Santa Clara County has dedicated a portion of the existing tax revenues to the Park Charter Fund and county voters have renewed the charter amendment seven times, most recently in 2016. This measure extended the Park Charter Amendment through 2021 and preserves the level of funding at 1.425 cents per \$100 of assessed valuation and dedicates at least 15 percent of the Fund to parkland acquisition and 5 percent to capital improvements with the remainder for park operations. In June 2016, voters approved an extension of the fund through 2032.

Since 1974, the City of San Francisco sets aside a portion of its property tax for park and open space purposes. The fund functions as a set-aside from the property tax equal to \$0.025 for each \$100 in assessed valuation. The city charter directs that the fund be used for acquiring park property (five percent), renovating or maintaining park property or facilities, or operating after-school recreation, urban forestry, and community garden programs. In 2000, the charter amendment was renewed until 2031 with 75 percent voter approval. In June 2016, San Francisco voters extended the set aside for 15 years until 2045, and required an increase in a minimum allocation from the general fund.

## Process for Implementation

The Fresno City Council may submit a charter proposal to the voters, provided it does so at least 88 days prior to the election.

A charter amendment may also be submitted by citizen petition. A petition must be signed by 10 percent of the qualified electors of the city, which is computed by the total number of votes cast in the city for all candidates for Governor at the last general election at which a Governor was elected.

A city charter may be amended by proposals submitted by the governing body or by petition, and must be submitted at least 88 days before the election.

Charter amendments must be approved by a majority of voters at a statewide general election.

## Charter Review Committee

The City of Fresno Charter Review Committee was created in 2010, to evaluate and make recommendations to the City Charter resulting in the City's current strong-mayor form of government.

The Committee shall be created and convened for a period of time, not to exceed 180 days. Each Councilmember shall have one appointment to the Committee and the Mayor shall have two appointments to the Committee for a total of nine members. The Committee will elect among themselves a Chairperson and a Vice-Chairperson.<sup>65</sup>

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<sup>65</sup> <http://www.fresno.gov/Government/CityClerk/CharterReviewCommittee.htm>

While it is possible that the Charter Review Committee could be convened to discuss the issue of parks funding, such an action would be without precedent in Fresno.

## Special Districts

Special districts are a form of local government created by a community to meet a specific need. Limited tax bases and competing demands for existing taxes make it hard for cities and counties to provide all the services their citizens desire. When residents or landowners want new services or higher levels of services, they can form a district to pay for and administer them. California has roughly 3,400 special districts providing focused public services such as fire protection, sewers, water supply, electricity, parks, recreation, sanitation, cemeteries, and libraries. There are about 50 major types of special districts (and many subcategories) ranging from airport to cemetery to water conservation districts.

Statutory special districts, such as a recreation and park district, regional park, park and open space, and open space districts, a county service area, or a community service district, are another mechanism by which property may be acquired for parks and open spaces in the City of Fresno. Special districts are a form of local government created by a local community to meet a specific need. When residents or landowners want new services or higher levels of existing services than are provided by the county, they can form a district to pay for and administer them.

Although not explored in greater detail in this report, some California cities and counties are exploring the creation and use of Enhanced Infrastructure Financing Districts (EIFDs) as a way to fund park, recreation and open space projects.

### Recreation and Park District<sup>66</sup>

Recreation and park districts may acquire property for parks and open space, impose property taxes, levy assessments upon properties assessed within their boundaries because those properties are specifically benefited (either throughout the district or in zones of benefit), and incur indebtedness not to exceed five percent of the assessed valuation in the district. Such a district may be formed in incorporated or unincorporated areas and may or may not be contiguous. It may also enter joint powers agreements and work in cooperation with other public agencies and private organizations. However, the governing body of the district may not levy an assessment or tax until the assessment is first approved by a majority of landowners or the tax is approved by two-thirds of landowners within the district. Bond issuances require a resolution of the district board of directors and two-thirds approval of the landowners within the district.

In November 2016, more than 78 percent of voters in the Hayward Area Recreation and Park District – the agency that oversees parks in Hayward and nearby unincorporated areas – approved a \$250 million bond measure for deferred maintenance projects and new initiatives.<sup>67</sup> All funding will be used for local park and recreation facility improvements.<sup>68</sup> Special districts are described in further detail in a subsequent section of this report.

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<sup>66</sup> Cal. Public Resources Code §§5780 to 5790.17.

<sup>67</sup> Moriki, Darin. "\$250 million Hayward park bond on ballot." San Jose Mercury-News. August 4, 2016. Accessed August 5, 2016.

<sup>68</sup> [http://www.mercurynews.com/ci\\_30206772/250m-hayward-park-bond-ballot](http://www.mercurynews.com/ci_30206772/250m-hayward-park-bond-ballot)  
<http://www.haywardrec.org/AgendaCenter/ViewFile/Agenda/07252016-445>

In November 2016, 69 percent of voters in the Coalinga-Huron Recreation and Park District in Fresno County approved a \$14.9 million bond measure for park facility construction and maintenance.<sup>69</sup>

### **Regional Park, Park and Open Space, and Open Space District**

One or more cities, together with any parcel or parcels of city or county territory, whether in the same or different counties, may organize and incorporate a regional park, park and open space, or open space district. All the territory in the proposed district must be contiguous. Regional park, park and open space, and open space districts may acquire property for parks and open space, levy assessments upon properties assessed within their boundaries because those properties are specifically benefited (either throughout the district or in zones of benefit), and incur indebtedness not to exceed five percent of the assessed valuation in the district. However, the governing body of the district may not levy a benefit assessment until the assessment is first approved by a majority of landowners (50 percent or more), or a special tax is approved by two-thirds of voters, or a bond issuance is approved by two thirds of the district board of directors and voters.<sup>70</sup>

### **Community Service District**

A community service district may be formed by a city for a number of public purposes, including public recreation purposes which include, but are not limited to, aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, swimming pools, or recreational buildings. Such a district may acquire real property by grant, purchase, gift, lease or eminent domain. A community service district may be formed by petition signed by at least ten percent of registered voters in the proposed district or by adoption of a resolution by the board of supervisors following a public hearing. As relevant to parks and open space funding, a community service district may issue bonds, general taxes, special taxes (including parcel taxes), and rates and other charges to carry out the purposes and objects of the district. The district may also form zones of benefit to finance capital improvements and services in limited areas of the district. To levy the tax, the district board of directors must state the purposes for which the taxes are necessary and must fix by ordinance the amount of money to be raised by taxation. To incur indebtedness, the district must hold a public hearing and electors residing in the portion of the district being benefited must approve the bonds at a special district election. A majority vote of electors in the district must approve the issuance of revenue bonds and a two-thirds vote is required for the issuance of general obligation bonds.<sup>71</sup>

There are currently five community facilities districts that impose a Mello-Roos special tax in the city of Fresno. None list parks as a purpose.<sup>72</sup>

### **Special Districts in Fresno**

Three special taxing districts provide park and recreation services in Fresno, although much of the service area in these districts is unincorporated parts of Fresno County located within the boundaries of the city.<sup>73</sup> None provide these services directly to the jurisdiction of the entire city.

<sup>69</sup> [https://ballotpedia.org/Coalinga-Huron\\_Recreation\\_and\\_Park\\_District,\\_California,\\_Bond\\_Issue,\\_Measure\\_N\\_\(November\\_2016\)](https://ballotpedia.org/Coalinga-Huron_Recreation_and_Park_District,_California,_Bond_Issue,_Measure_N_(November_2016))

<sup>70</sup> Cal. Public Resources Code §§5500 to 5595

<sup>71</sup> Cal. Government Code §§61600 to 61751.

<sup>72</sup> Information from Center for Special Taxes, California Tax Foundation. Information current as of 2014. <http://www.caltaxfoundation.org/special-taxes/>

County Service Area 2 is 60 acres within an unincorporated “island” surrounded by the city of Fresno, serving 339 residents. It is financed by property tax and assessments. It provides park maintenance and lighting services. Specifically, it finances operations and maintenance to Tenaya Park, a 2.5 acre park.<sup>74</sup>

Calwa Recreation and Park District provides park and recreation services. It is financed by property taxes, rental fees and donations. Its service area is 4,437 acres in the community of Calwa, bounded by California, peach and North Avenues and SR 99. The self-governed self-administered district operates Calwa Park. It partially overlaps with the city of Fresno.

The Malaga County Water District overlaps with the city of Fresno in three small areas. It provides water, sewer, garbage, and park and recreation services. It is financed with user fees and property taxes.<sup>75</sup>

Citywide benefit assessment districts are described more generally in the next section.

In unincorporated Fresno County, near Shaver Lake, County Service Area No. 31 is a 8,500 acre service area that includes a variety of services including public recreation and parks and open space, and is funded by user fees and assessments

## Other Funding Mechanisms

Other taxes, such as a business license tax, utility user tax, transient lodging tax, vehicle license fee, real property transfer tax, or soda tax – could potentially be used to fund park improvements and enhanced park access in Fresno. Some communities also consider benefit assessment districts. Additional information on the soda tax and benefit assessment district is provided below.

### Soda Tax

Voters in Oakland and San Francisco each approved a soda tax at the November 2016 ballot. These cities imposed a one cent per ounce excise tax on the distributors of sugar-sweetened beverages, rather than directly at the point of sale. Voters approved a similar tax in 2014 in Berkeley. The Berkeley tax generated approximately \$1.1 million in revenue in its first nine months of implementation.

### Benefit Assessment District

A benefit assessment is a special charge levied on property to pay for public improvements that benefit property in a predetermined district. The philosophy behind benefit assessments (also known as special assessments, or assessment ballot proceedings) is to link the cost of public improvements to those landowners who specifically benefit from those improvements. The amount of an assessment on a particular property is related to the amount of benefit that property receives. While parks and open space often do provide general amenities that may be enjoyed by the public at large, they also provide significant special benefit to local properties. The boundaries of a benefit

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<sup>73</sup> “Special District Directory.” Fresno County Local Agency Formation Commission. Accessed June 24, 2016. <http://www.fresnolafo.org/Special%20District%20Directory.pdf>

<sup>74</sup> “County Service Area No. 2 Tenaya Park – Municipal Service Review and Sphere of Influence Update.” Fresno Local Agency Formation Commission. June 17, 2016. Accessed June 24, 2016. <http://www.fresnolafo.org/documents/MSRs/CSA%20No.%202%20Review%20Draft.pdf>

<sup>75</sup> “Municipal Service Review and Sphere of Influence Update prepared for the Malaga County Water District.” Fresno Local Agency Formation Commission. October 10, 2007. Accessed June 24, 2016. <http://www.fresnolafo.org/documents/staff-reports/Approved%20MSR's/Malaga%20County%20Water.pdf>

assessment district may coincide exactly with those of another jurisdiction (e.g. city or county) or they may cover only part of those jurisdictions.

Prior to imposing a benefit assessment, the local government(s) must determine if the project or service provides a special benefit.<sup>76</sup> California Proposition 218, approved by voters in 1996, established a strict definition of “special benefit” to mean “a particular and distinct benefit over and above general benefits conferred on real property located in the district or public at large. If it does, the amount of the special benefit and the general benefit must be estimated through a professional engineer’s report to allow local governments to recoup from the assessments only the proportionate share of costs to provide the special benefit. The local government must then set individual assessment charges so that no property owner pays more than his/her proportionate share of the total cost, which may require assessment rates to be set on a parcel-by-parcel basis.<sup>77</sup> The assessment may be imposed only if 50 percent or more of the weighted ballots support it. Ballots are weighted according to the amount of the assessment. Assessments are secured by a lien on real property, and that lien is superior to all mortgages even if the mortgages pre-date the assessment lien.

In 2008, the California Supreme Court struck down an open-space assessment in Santa Clara County on the ground it did not demonstrate special benefit to the assessed property as required by Proposition 218 or Proposition 13 and because the amounts assessed were not proportional to the special benefits conferred. The unanimous decision sets out a new, more demanding standard of judicial review of local government assessment decisions and has significant implications for assessment financing in California.<sup>78</sup> The court decision effectively will require local agencies to put such assessments before the voters, unless a fee hike is well-defined for a particular set of homeowners, such as to fund lighting or street improvements in a neighborhood. Therefore, assessment programs covering an entire jurisdiction, such as the geographic boundaries of a city or county, are vulnerable to a legal challenge. However, a benefit assessment may be plausible in a small area.

Proposition 218 limits the abilities of local governments to exact revenue under special assessments. A citywide special assessment for parks, recreation, or open space purposes may be viewed as a special tax, which would require a two-thirds voter approval. Local governments may not impose assessments to pay for the cost of providing a general benefit to the community. Proposition 218 also emphasizes that general enhancement of property value does not constitute a special benefit. A special benefit must affect the assessed property in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share.<sup>79</sup>

Other recent decisions have emphasized the significance of these requirements and have invalidated assessments where the agency's evidence fails to meet these burdens. (E.g., *Beutz v. County of Riverside* (2010) Cal.4th Dist; *Bonander v. Town of Tiburon* (2009) 180 Cal.App.4th 1057.)

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<sup>76</sup> General enhancement of property value does not constitute “special benefit.” Cal. Const. Art. XIII C, Sec. 2(i).

<sup>77</sup> *Understanding Proposition 218*, Legislative Analyst’s Office (Dec. 1996).

<sup>78</sup> *Silicon Valley Taxpayers’ Assoc., Inc. v. Santa Clara County Open Space Auth.*, 187 P.3d 37 (Cal. 2008).

<sup>79</sup> *Ibid.*

The Trust for Public Land recommends against further consideration of this financing mechanism for California cities and counties at this time.

## INITIATIVE AND REFERENDUM

The City Charter reserves to the electors the powers of initiative and referendum, as well as the recall of municipal elective officers. The Charter states that the provisions of the Elections Code of the State of California shall apply to elections in the City of Fresno relating to initiative, referendum and recall.<sup>80 81</sup>

The local referendum power is the means by which the voters can choose to adopt or reject legislation that has already been enacted by the city council. While the initiative gives individual electors, or groups of them, the power to actually propose new laws, the referendum process gives voters the chance to take a look at legislation that has already been passed, if they sign a petition in sufficient numbers before the ordinance takes place.<sup>82</sup>

A group of citizens could use the powers of initiative to place a measure on the ballot. Local tax measures are often proposed via a local voter initiative.<sup>83</sup>

Placing an initiative on the ballot is a time-consuming process. Signatures for a petition must be filed within 180 days from the date of receipt of the title and summary. After the petition has been filed, the elections official has 30 days (excluding Saturdays, Sundays, and holidays), to examine the validity of the petition.<sup>84</sup> The deadline to consolidate an election, which is to place a city measure on the county ballot, is 88 days before the election.

The method of considering a successful petition is dependent on the amount of registered voters that sign the petition – at thresholds of 10 or 15 percent. According to the most recent voter registration data, 10 percent of registered voters is 22,125 signatures and 15 percent is 33,187 signatures.

If the petition is signed by 15 or more percent of registered voters, according to the last report of registration by the county elections official at the time the notice of intention was published, the city council has three options:

- Adopt the ordinance at the regular meeting at which the certification of the petition is presented, or within 10 days after it is presented.
- Immediately order a special election, to be held not less than 88 not more than 103 days after the date of the order of election, at which the ordinance, without alteration, shall be submitted to the voters of the city.<sup>85</sup>
- Order a report (fiscal impact and any other effects or impacts that the initiative will have on the city) at the next regular meeting at which the certification is presented. When the report

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<sup>80</sup> City of Fresno Charter Article XIV, Section 1403

<sup>81</sup> California Election Code Section 9210(b)

<sup>82</sup> [https://www.cacities.org/Resources-Documents/Member-Engagement/Professional-Departments/City-Attorneys/Library/2015/2015-Spring-Conference/5-2015-Spring-Craig-Steele-Initiatives\\_Referendums.aspx](https://www.cacities.org/Resources-Documents/Member-Engagement/Professional-Departments/City-Attorneys/Library/2015/2015-Spring-Conference/5-2015-Spring-Craig-Steele-Initiatives_Referendums.aspx)

<sup>83</sup> Personal communication with Brian Uhler. California Legislative Analyst's Office. July 15, 2016.

<sup>84</sup> California Elections Code § 9211

<sup>85</sup> California Elections Code § 1405(a)

is presented to the city council, the city council shall either adopt the ordinance within 10 days or order an election as described above.<sup>86</sup>

If the petition is signed by 10 percent or more of the registered voters, according to the same criteria as above, the city council has three options:

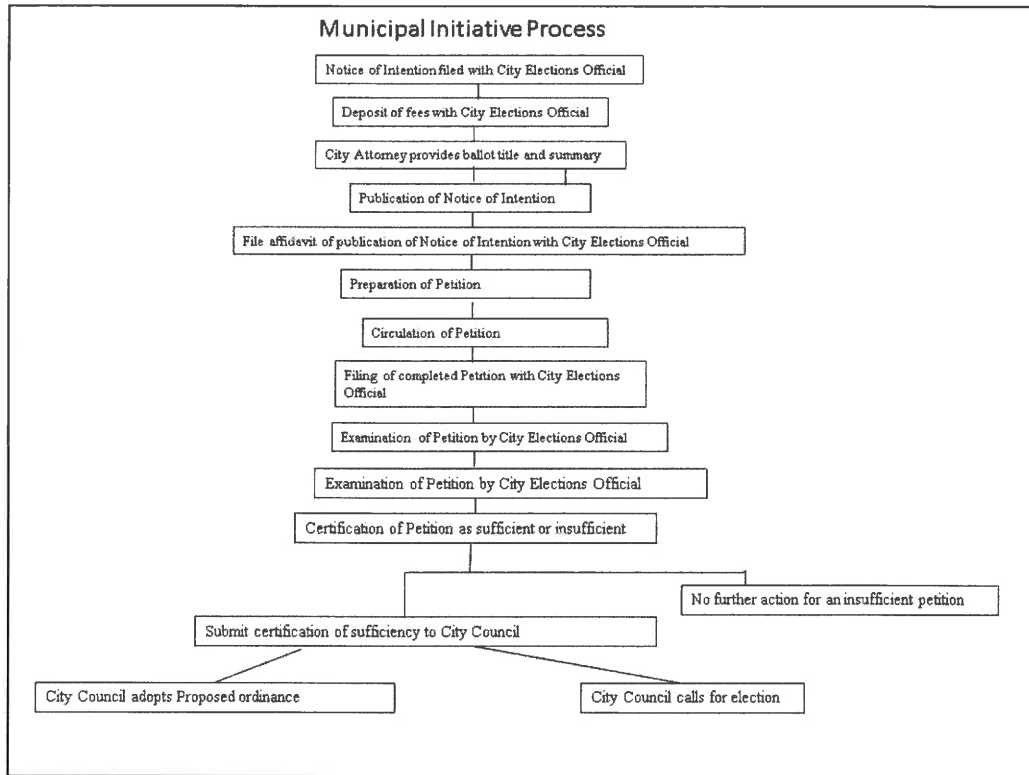
- Adopt the ordinance at the regular meeting at which the certification of the petition is presented, or within 10 days after it is presented.
- Submit the ordinance to the voters at the city's next regular election occurring not less than 88 days after the date of the order of election, unless the ordinance petitioned for is required to be, or for some reason is, submitted to the voters at a special election.
- Order a report (fiscal impact and any other effects or impacts that the initiative will have on the city) at the next regular meeting at which the certification is presented. When the report is presented to the city council, the city council shall either adopt the ordinance within 10 days or order an election as described above.

The chart on the following page shows the general process for a municipal initiative.<sup>87</sup>

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<sup>86</sup> California Elections Code §§1405(a), 9212, 9214

<sup>87</sup> Process taken from Fresno County Clerk/ Registrar of Voters – Procedures for County, Municipal and District Initiatives and Referendum.



## ELECTIONS

A ballot measure would be considered a special municipal election.<sup>88</sup> The charter states that unless otherwise provided by ordinance, all elections in the City of Fresno shall be held in accordance with the provisions of the Elections Code of the State of California – which otherwise apply to general law cities.<sup>89</sup>

Special municipal elections may be held in conjunction with regularly scheduled elections.

### Ballot Language

Ballot question are limited to 75 words.<sup>90</sup> Measures are followed by the words "YES" and "NO." See the example to the right.

The City of Fresno Charter states that any measure submitted to the voters at a municipal election shall be worded so that a “yes” vote indicates approval of the measure proposed and a “no” vote indicates disapproval.<sup>91</sup>

MEASURES SUBMITTED TO THE VOTERS	
<b>CITY</b>	
<b>CITY OF FRESNO</b>	
<b>Z KEY WORD SUMMARY OF MEASURE.</b> Followed by the ballot question. The total number of words, including the summary, may not exceed 75 words. (§13247)	Yes
	No

**Example of Format**

<sup>88</sup> City of Fresno Charter Article XIV, Section 1401

<sup>89</sup> City of Fresno Charter Article XIV, Section 1402.

<sup>90</sup> California Elections Code §13247 and § 9051



## Voter Registration and Turnout

The percentage of total City of Fresno voters registered as No Party Preference (previously Declined to State) has steadily increased over the last 12 years. The

share of voters registering their party affiliation with the Democratic party remained nearly constant, while the share of voters registering their party affiliation with the Republican party has decreased steadily over the last 12 years. Polling information can provide insight regarding how turnout could affect a potential measure.

### Election Results

Election results can often be helpful in gauging voter tolerance for public spending.

City of Fresno voters decided on many county, school district, and community college district ballot measures in recent years. A table summarizing these election results is included in Appendix L and selected successful ballot language is included in Appendix M.

City of Fresno voters supported public finance measures over the last 10 years at a rate slightly higher than that of Fresno County overall.

In November 2016, voters in The Fresno Unified School District approved Measure Q, a \$225 million bond measure with nearly 67 percent support. 55 percent majority support was required for passage. In 2010, District voters approved measure Q, a \$280 million bond to fund modernization and expansion. Both of these measures received substantial community support from leadership and the general community. Local engagement led to broad-based public support of major tax-based ballot measures in the city. As of June 2016, approximately \$30 million in funds remained.<sup>92</sup>

City of Fresno Voter Registration - as of 10/24/2016						
Party Affiliation	As of 10/24/2016		As of 4/10/2012		As of 1/5/2004	
	# of Registered Voters	% of Total	# of Registered Voters	% of Total	# of Registered Voters	% of Total
Democratic	101,174	43.3%	93,502	43.9%	75,146	41.9%
Republican	71,545	30.6%	74,995	35.2%	79,755	44.5%
American Independent	6,259	2.7%	5,053	2.4%	2,907	1.6%
Green	932	0.4%	981	0.5%	1,202	0.7%
Libertarian	1,470	0.6%	888	0.4%	666	0.4%
Peace and Freedom	840	0.4%	633	0.3%	304	0.2%
Other	2,388	1.0%	2,596	1.2%	385	0.2%
No Party Preference/ Declined to State	48,939	21.0%	34,425	16.2%	18,866	10.5%
Total	233,577	100.0%	213,073	100.0%	179,396	100.0%

Voter Turnout - City of Fresno			
Election Date	Registered Voters	Votes Cast	Ratio
November 8, 2016	233,703	148,060	63.4%
June 7, 2016	221,401	86,621	39.1%
November 4, 2014	223,646	77,116	34.5%
June 3, 2014	220,367	52,182	23.7%
November 6, 2012	218,525	127,592	58.4%
June 5, 2012	207,344	54,548	26.3%
2016 Statement of Vote, and November 8, 2016 Statement of Vote.			

<sup>91</sup> Fresno Charter Article XIV, Section 1404

<sup>92</sup> Mays, Mackenzie. "Voters would support \$225 million Fresno Unified School bond, poll says." *Fresno Bee*. June 15, 2016. Accessed June 24, 2016. <http://www.fresnobee.com/news/local/education/article84085857.html>

<sup>93</sup> The District's Facilities Master Plan of 2009 identifies about \$1 billion in needed projects. Measure Q funded approximately one-third of the need.<sup>94 95</sup>

Fresno voters approved a \$485 million bond for the State Center Community College District in June 2016.

City of Fresno voters have not voted on local city public finance measures in recent years.<sup>96</sup> In 2004, city of Fresno voters rejected transient occupancy taxes. Voters previously rejected a similar tax in the late 1990s. In 2013, citizens forced a referendum on the city council's decision to privatize residential trash pickup service.

In 2014, city council member Oliver Baines sought to introduce a proposed ballot initiative, known as Measure R, that would have increased the city's sales tax by a half-cent to pay for the restoration of basic services.

Although the initiative was not formalized, one proposal was a six year, half cent (0.5 percent) general sales tax increase. Revenue would have been directed to the general fund, a citizen oversight committee would have reviewed how the money was spent, and proceeds would have been independently audited annually. The city council and mayor would have held the final say on where the money went.<sup>97</sup> The *Fresno Bee* stated that the proposed tax would generate an estimated \$37 million annually. The proposed measure never received the necessary traction and support to make it to the ballot.<sup>98</sup>

## Potential Measures

## CONCLUSION

The Trust for Public Land recommends conducting a public opinion survey to gauge voter support for one or more of the funding mechanisms outlined here and priorities for program spending. The information on funding levels provided above should be utilized in developing survey questions.

This feasibility report is meant to inform the Mayor of Fresno and the City of Fresno in their consideration of new funding for park enhancements and improved park access by identifying potential funding mechanisms and determining the fiscal capacity and implementation requirements of various approaches.

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<sup>93</sup> Ibid.

<sup>94</sup> Hostetter, George. "The Right Track: Delivering on parks and amenities tests Fresno's mettle." *CV Observer*. April 18, 2016. Accessed June 10, 2016. <http://www.cvobserver.com/cvgov/delivering-amenities-for-parks/>

<sup>95</sup> Appleton, Rory. "\$485 million bond for community college improvements goes to vote." *Fresno Bee*. June 1, 2016. Accessed June 24, 2016. <http://www.fresnobee.com/news/local/education/article81185832.html>

<sup>96</sup> Following review of [californiaelections.com](http://californiaelections.com), California Elections Data Archive, and League of Women's Voters SmartVoter

<sup>97</sup> Hostetter, George. "Oliver Baines holding Fresno tax initiative in reserve – for now." *The Fresno Bee*. August 2, 2014. Accessed June 10, 2016. <http://www.fresnobee.com/news/local/news-columns-blogs/city-beat/article19522917.html>

<sup>98</sup> Hostetter, George. "The Next Mayor: What drives the road to City Hall." *CV Observer*. February 1, 2016. Accessed June 10, 2016. <http://www.cvobserver.com/features/the-next-mayor/3/>

## APPENDICES

## Appendix A: City of Fresno Revenue Options

Revenue Option	Description	Implementation Process	Comments
<b>General Obligation Bonds</b>	<p>The city could issue general obligation bonds for park-related purposes.</p> <p><b>A \$50 million bond</b>, for example, would cost the average homeowner \$15 a year.</p> <p>City officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond issue.</p>	<p>A majority of the city council must approve to send the measure to the ballot and subsequently by two-thirds of voters must approve the bond issuance.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p><u>Revenue raising capacity</u>: Could create significant funding for park improvements and enhanced park access. However, bond funds cannot be used for operations and maintenance.</p> <p><u>Precedent</u>: Although the city has not issued voter-approved general obligation bonds in recent memory, voters in major California cities have approved bond measures for parks and land conservation in recent years.</p>
<b>Transactions (Sales and Use Tax)</b>	<p>The city could increase the current sales tax and allocate the revenue to park-related purposes.</p> <p>A 1/8 percent (0.125) sales tax increase would raise an estimated <b>\$13.6 million annually</b>.</p>	<p>If the tax is for unrestricted purposes, also known as a general tax, it must be approved by a majority of city council members to send the measure to the ballot and subsequently by a majority of voters.</p> <p>If the tax is for a specific purpose, also known as a special tax, it must be approved by two-thirds of city council members authorizing the question and two-thirds of voters.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p><u>Revenue raising capacity</u>: Could create a significant funding source for park improvements, operations, maintenance and projects that enhance access to parks.</p> <p><u>Precedent</u>: Fresno County voters consistently approved local sales taxes for libraries, the zoo and transportation in recent years. Cities and counties in California and across the country use local sales tax to fund parks and land conservation projects.</p>
<b>Flat Parcel Tax</b>	<p>A flat rate tax assessed on each parcel in the City of Fresno would generate significant revenue for parks. For example, a \$15 per parcel tax would generate about \$2 million annually</p> <p>The revenue could also support debt service on a revenue bond issue.</p>	<p>Two thirds of city council members must approve sending the measure to the ballot and subsequently two-thirds of city voters must approve the measure.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p><u>Revenue raising capacity</u>: Could create a moderate funding source for operations and maintenance, conservation acquisition and capital improvements.</p> <p><u>Precedent</u>: Revenues from this source have been used in other states.</p> <p><u>Considerations</u>: The most common type of parcel tax and straightforward to voters. Every property owner equally contributes, regardless of size or ability to pay. Proposing a tax with a relatively low annual</p>

			cost will help to minimize any potential hardship while providing essential funding.
<b>Per square foot parcel tax</b>	<p>The city could levy a special parcel tax based on a uniform amount per square footage. This option would generate significant revenue for parks.</p> <p>Additional data and research is needed to calculate revenue and cost per household estimates.</p>	<p>Two thirds of city council members must approve sending the measure to the ballot and subsequently two-thirds of city voters must approve the measure.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p><u>Revenue raising capacity:</u> Could generate significant funds, but additional data and research needed. Could support both acquisition and maintenance costs.</p> <p><u>Precedent:</u> There are a number of California cities and counties that impose a per square foot for parks or conservation purposes. Los Angeles County is seeking voter approval for such a tax for parks projects in November 2016</p> <p><u>Considerations:</u> Places a higher cost on large parcels. Proposing a tax with a relatively low annual cost will help to minimize any potential hardship while providing essential funding.</p>
<b>Charter Amendment</b>	<p>Amend the city charter to allocate a portion of existing taxes to park purposes.</p>	<p>A Majority of city council members must approve sending the measure to the ballot, and subsequently a simple majority of city voters must approve the measure.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p><u>Revenue raising capacity:</u> Does not create additional funds but would secure a certain funding level for parks from existing revenues.</p> <p><u>Precedent:</u> Used to fund parks and conservation in San Francisco and Santa Clara County.</p>

## Appendix B: Overview of the City of Fresno

### Profile

Fresno is California's fifth largest city by population, its largest inland city, and the 34<sup>th</sup> largest city in the country. Fresno is the economic and cultural center of the San Joaquin Valley, one of the most productive agricultural centers in the U.S.<sup>99</sup>

The population of the city has grown by approximately 10.3 percent in the past ten years. The U.S. Census Bureau estimated city's population to be approximately 520,000 people in 2015.<sup>100</sup> Over half of all county residents live in the City of Fresno.

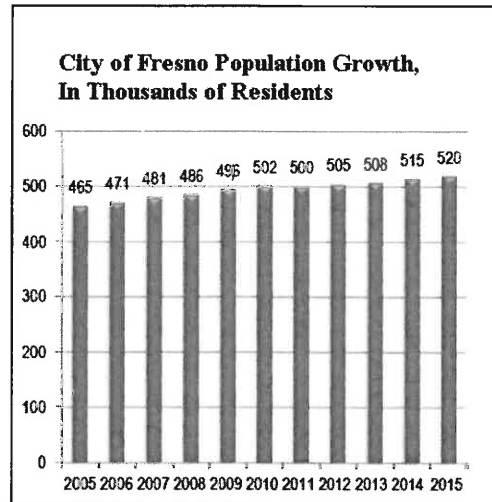
Fresno and the neighboring City of Clovis account for 64 percent of the total county population.

Between 1980 and 1990, the city population grew from 217,000 to 354,000, a 63 percent increase.<sup>101</sup> The current population of Fresno County is

955,272 and is projected to exceed 1.1 million residents by 2020.<sup>102</sup> Housing units are split approximately evenly between owner-occupied and renter-occupied.<sup>103</sup> Thirty percent of people in the city are in poverty.<sup>104</sup> Appendix O contains a map showing the concentration of low and moderate income populations in the City of Fresno.

Fresno is among the most diverse localities in the state of California. There are more than 90 different nationalities that speak over 75 languages in Fresno. Hispanics account for 51 percent of total population in the metro area. The Fresno metropolitan area has the 17<sup>th</sup> largest Hispanic population in the nation.<sup>105</sup>

The City of Fresno currently has a land area of 114.2 square miles. Fresno is located approximately 200



Estimated Number of Workers by Industry, 2015	
City of Fresno	
Industry	% of Total
Service	28%
Government	18%
Agriculture	14%
Retail Trade	10%
Leisure & Hospitality	8%
Manufacturing	6%
Finance, Insurance & Real Estate	5%
Wholesale	4%
Mining & Construction	4%
Transportation & Public Utilities	3%

<sup>99</sup> "Ratings Action: Moody's upgrades Fresno (CA's) GO Rating to A3". Global Credit Research – Moody's Investor Service. September 15, 2016. Accessed June 23, 2016. [https://www.moody.com/research/Moodys-upgrades-Fresno-CAs-GO-Rating-to-A3-related-ratings--PR\\_334693](https://www.moody.com/research/Moodys-upgrades-Fresno-CAs-GO-Rating-to-A3-related-ratings--PR_334693)

<sup>100</sup> United States Census Bureau. American Fact Finder. Annual Estimates of the Resident Population. April 1, 2010 to July 1, 2015 – 2015 Population Estimates. Accessed May 25, 2016.

<sup>101</sup> Hostetter, George. "Chukchanski Park, the political football, is back." *CV Observer*. February 18, 2016. Accessed June 10, 2016. <http://www.cvobserver.com/election-2016/swing-and-a-miss-is-back/>

<sup>102</sup> City of Fresno 2016-2017 Proposed Budget Page D-1

<sup>103</sup> United States Census Bureau. American FactFinder. Profile of General Population and Housing Characteristics. 2010 Demographic Profile Data. Accessed May 25, 2016

<sup>104</sup> Census Quickfacts.

<sup>105</sup> Brown, Anna and Lopez, Mark Hugo. "Mapping the Latino Population, By State, County and City." *PewResearchCenter*. August 29, 2013. Accessed June 10, 2016.

[http://www.pewhispanic.org/files/2013/08/latino\\_populations\\_in\\_the\\_states\\_counties\\_and\\_cities\\_FINAL.pdf](http://www.pewhispanic.org/files/2013/08/latino_populations_in_the_states_counties_and_cities_FINAL.pdf)

miles north of Los Angeles and 170 miles south of Sacramento. Fresno also serves as a gateway to Yosemite National Park, Sequoia National Park, Sierra National Forest and Kings Canyon National Park.<sup>106</sup>

The economic base of Fresno County, of which the City of Fresno is the county seat, is predominantly agriculturally oriented. Fresno County is the number one agriculture-producing county in the United States. Although agriculture directly accounts for approximately 14 percent of jobs, the industry holds a much more substantial impact on the city and region's economy when related businesses are included. In 2014, agriculture production value exceeded \$7 billion for the first time ever.<sup>107</sup> Major employers include medical groups, local government, and higher education. A chart of principal employers, in 2015 and in 2006, is included above.

Principal Employers - Current Year and Nine Years Ago						
Employer	2015			2006		
	Employees	Rank	Total City Employment	Employees	Rank	Total City Employment
Community Regional Medical Center	4,789	1	1.23%	5,008	1	2.41%
City of Fresno	2,938	2	0.75%	4,008	2	1.93%
Saint Agnes Medical Center	2,400	3	0.62%	2,900	3	1.40%
Kaiser Permanente Medical Center	2,000	4	0.51%	2,506	4	1.21%
California State University, Fresno	1,562	5	0.40%	1,671	6	0.80%
State Center Community College District	1,178	6	0.30%	1,155	7	0.56%
Fresno Economic Opportunities Commission	973	7	0.25%	-	-	-
AmeriGuard Security Services, Inc.	567	8	0.15%	-	-	-
Guarantee Real Estate	544	9	0.14%	-	-	-
Gell Enterprises, Inc.	500	10	0.13%	-	-	-
Beverly Health Care	-	-	-	2,000	5	0.96%
Gottschalks	-	-	-	1,129	8	0.54%
AT&T	-	-	-	1,000	9	0.48%
Zacky Farms, LLC	-	-	-	912	10	0.44%
Total	17,451	-	4.48%	22,289	-	10.74%
Fresno City Employment			389,400			207,600

Fresno continues to market itself as an ideal location for manufacturing and distribution due to strategic location, low business costs and affordable housing.

Like much of California's Central Valley – Fresno is greatly afflicted by pollution. However, Fresnoans are at greater risk than most California residents – a 2014 study by the California Environmental Protection Agency found that eight of the state's 10 census tracts most heavily burdened by pollution are in the city of Fresno.<sup>108</sup>

## City Government

The city is a full-service charter city that operates under the strong-mayor form of government.<sup>109</sup> Only a handful of other cities operate under this form.<sup>110</sup> In Fresno, the Mayor serves as the city's Chief Executive Officer, appointing and overseeing the City Manager, recommending legislation, and presenting the annual budget to the city council.<sup>111</sup> The Mayor is elected at-

City Council, City of Fresno		
Council Member	District	Term Expires
Esmeralda Z. Soria, C	District 1	Jan-19
Steve Brandau	District 2	Jan-21
Oliver L. Baines III	District 3	Jan-19
Paul Caprioglio	District 4*	Jan-21
Sal Quintero	District 5	Jan-19
Garry Bredefeld	District 6*	Jan-21
Clint Olivier, Council F	District 7	Jan-19
Source: City of Fresno website.		

<sup>106</sup> This section largely excerpted from FY2015 Comprehensive annual Financial Report

<sup>107</sup> <http://www.thebusinessjournal.com/news/agriculture/19093-2014-crop-report-fresno-county-ag-value-eclipses-7-billion>

<sup>108</sup> Marcum, Diana. "Fresno ranks No. 1 on California pollution list." *The Los Angeles Times*. April 23, 2014. Accessed June 10, 2016. <http://www.latimes.com/local/la-me-fresno-pollution-20140424-story.html>

<sup>109</sup> In 1992, Fresno voters approved the strong mayor form of government., which did not go into place until 1997.

<sup>110</sup> Other cities include San Diego, Oakland, Los Angeles, San Francisco, and Sacramento.

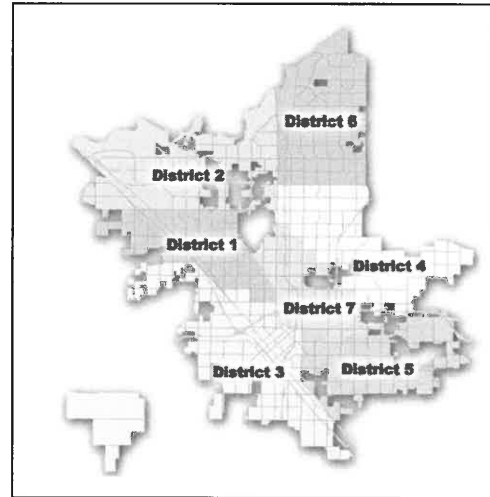
<sup>111</sup> 2016 Budget, Introduction.

large, does not serve on the Council, and has veto power over certain actions taken by the Council.

In November 2016, Lee Brand was elected as Mayor of Fresno with 51 percent of the vote. Mayor Brand succeeded Ashley Swearingin, who was term limited, first elected in 2008 and re-elected in 2012. The previous four mayors elected under the city's "strong-mayor" system came from North Fresno.

The city council consists of seven members. Each member is elected by voters residing in each of the city's seven districts to serve four year, overlapping terms.

The city manager, who is appointed by the mayor, is responsible for appointing all other department heads in 13 different departments including General Services, Planning and Development, Economic Development is Downtown and Community Revitalization, Police, Public Works, Finance, Budget, Airports, Information Services, Fire, Parks, Recreation and Community Services, Transportation, and Public Utilities. The city operates two airports (Fresno Yosemite International services most major cities), a bus system, and water, wastewater and solid waste utilities.<sup>112</sup>



## Appendix C: Parks, Recreation, Trails and Open Space

### City of Fresno

The city Parks, After School, Recreation, and Community Services (PARCS) Department, along with most other city departments, experienced considerable cuts in funding in recent years. As such, city residents and officials are searching for opportunities to increase park services and improve park access throughout the city, particularly in the southern portion of the city.

In 2014, the city hired Manuel A. Mollinedo, previously director of the Honolulu Zoo and of park departments in major cities such as Los Angeles and Austin, Texas, as the director of the PARCS Department.<sup>113</sup>

In 2015, the city opened Inspiration Park, a park with significant recreational amenities including playgrounds, ball fields, a splash park, community building, and basketball courts. The city states that it had been approximately 45 years since the city constructed a park of this size.<sup>114</sup>

Parks, After School, Recreation and Community Services Department				
Department Appropriations by Fund Type				
Fund Type	FY2014 Actuals	FY2015 Actuals	FY2016 Amended	FY2017 Proposed
Operating	\$ 14,264,033	\$ 15,288,906	\$ 18,170,300	\$ 21,025,100
Capital	\$ 11,668,712	\$ 1,399,417	\$ 6,555,300	\$ 4,082,900
Debt Service	\$ 2,346,030	\$ 2,281,139	\$ 2,353,800	\$ 2,196,800
Total	\$ 28,278,775	\$ 18,969,462	\$ 27,079,400	\$ 27,304,800
Source: City of Fresno FY 17 Proposed Budget Book B-84				

<sup>112</sup> This section largely excerpted from [www.fresno.gov/Government](http://www.fresno.gov/Government)

<sup>113</sup> "Fresno hires Mollinedo as PARCS director." *The Business Journal*. May 19, 2014. Accessed June 10, 2016. <http://www.thebusinessjournal.com/news/government-and-politics/12070-fresno-hires-mollinedo-as-parcs-director>



In FY17, the Cultural Arts District Park will open downtown, and will include a tot-lot, workout station, shade structures, and picnic tables.<sup>115</sup>

As is the case with parks in other major American cities, the majority of city parks in Fresno are reaching an age where major renovations and maintenance are in order. The city states that significant operating costs will occur throughout the park system as it continues to age due to natural wear and tear, lack of green space causing overuse of park amenities, and a lack of a comprehensive replacement analysis.<sup>116</sup> A significant deferred maintenance backlog exists with other city assets outside of parks.

In April 2016, city council approved an agreement with Central Unified School District for weekend use of playground areas at two elementary schools in western Fresno.<sup>117</sup> In May 2016, the city approved its joint-use agreement with Fresno Unified School District that will open 14 school sites for use as playgrounds during summer weekends.<sup>118</sup> The agreements are expected to open up between 300 and 400 more acres of green space for recreation, during those hours that they are open. All but three of the sites are in areas that have been identified as underserved by city parks.

<b>Parks, After School, Recreation and Community Services Department</b>	
<b>Major Funding Sources -FY17 Proposed Budget</b>	
<b>Type</b>	<b>% of Total Available Funding</b>
Citywide General Fund Support	58%
Intergovernmental Revenue	27%
Charges for Services	10%
Other Revenue	5%

There are 1,921 acres of parkland in Fresno. Only three percent of land in Fresno is dedicated to parkland.

The City of Fresno continually ranks near the bottom of The Trust for Public Land's ParkScore rankings, a comprehensive rating system developed to measure how well the 100 largest U.S. cities are meeting the need for parks. In 2016, Fresno ranked second to last. Fresno was ranked last in previous years. The city's score is expected to increase in the coming years.<sup>119</sup>

Appendix O contains a map of The Trust for Public's Lands ParkScore analysis.

<sup>114</sup> City of Fresno 2016-2017 Proposed budget B-87.

<sup>115</sup> City of Fresno 2016-2017 Proposed budget B-87.

<sup>116</sup> City of Fresno 2016-2017 Proposed Budget Page B-87.

<sup>117</sup> <http://www.fresnobee.com/news/local/article74778512.html>

<sup>118</sup> <http://www.fresnobee.com/news/local/article78760817.html>

<sup>119</sup> Romero, Ezra David. "Fresno's ParkScore Increases, But Not by Much." KVPR. May 26, 2016. Accessed July 13, 2016. <http://kvpr.org/post/fresnos-parkscore-increases-not-much>

Comparison of ParkScore Rankings and Park Spending in California's 10 Most Populous Cities								
Population Rank	2016 ParkScore Rank	City	County	Population	Spending Per Capita (all park agencies)	Ranking of Total Park Spending Per Resident - Adjusted for Price of Living	Total Spending by Primary City Park Agency	Park Land as Percent of City Area
1	65	Los Angeles	Los Angeles	3,999,237	\$79.56	43	\$278,504,844	13.60%
2	12	San Diego	San Diego	1,390,878	\$113.39	34	\$156,089,166	22%
3	31	San Jose	Santa Clara	1,036,325	\$130.98	37	\$115,685,162	14.40%
4	5	San Francisco	San Francisco	864,889	\$222.92	5	\$178,699,938	19%
5	97	Fresno	Fresno	520,778	\$33.21	79	\$22,801,309	2.70%
6	17	Sacramento	Sacramento	486,111	\$148.30	23	\$50,765,110	9%
7	22	Long Beach	Los Angeles	479,756	\$185.67	8	\$119,089,217	10.10%
8	14	Oakland	Alameda	423,191	\$142.64	29	\$54,371,216	18.30%
9	71	Bakersfield	Kern	379,210	\$83.58	51	\$22,837,894	5.90%
10	65	Anaheim	Orange	355,692	\$64.95	69	\$28,597,483	7.50%

Park Figures provided by 2016 Trust for Public Land ParkScore. Population data provided by California Department of Finance. Spending figures are based on most recently reported fiscal year by cities.

### Parks Master Plan

The City of Fresno is currently updating its parks master plan. The current plan was last updated in 1989.

### Park Impact Fee Bonds

In September 2005, the city council approved and authorized new park facilities impact fees in order to pay for municipally-owned park and recreation facilities.<sup>120 121</sup> These replaced the previous Urban Growth Management (UGM) boundary park fees and were significantly higher. For a single family dwelling unit – the fees increase from \$159 to \$320 to \$3,398.<sup>122</sup> This amount is below the median city impact fee for parks purposes in California, as well as the median of such fees for cities not in the San Francisco or Los Angeles metropolitan areas.<sup>123</sup> The Trust for Public Land did not examine the impact of the fee changes to other property classifications. The city also added a fire facilities fee and a police facilities fee. A subset of fees was also imposed under the Quimby Act, which authorizes the legislative body of a city to require the dedication of land or to impose fees for park or recreational purposes on developers.<sup>124</sup> Revenue generated through the Quimby Act cannot be used for the operation and maintenance of park facilities.<sup>125 126</sup>

In 2008, city staff stated that there was confidence that impact fee revenue would be sufficient to enable an estimated \$2.3 million in annual debt service

Projects to be funded through Park impact Fee Revenue Bonds - Phase I	
Project	Amount (In Millions)
Expansion of Regional Sports Complex	\$ 1.5
Amphitheater and expansion of Woodward Park	\$ 1.9
North Figarden Drive Park	\$ 6.9
Eaton Plaza Phases 2-4	\$ 1.8
Todd Beamer (Maple/ Plymouth Park)	\$ 2.8
Victoria West Expansion	\$ 2.8
Fee Waivers from Citywide Impact Fees for Final Maps	\$ 2.0
EOC Neighborhood Youth Center Gym	\$ 2.7
19001 and Highway 180 Skate Park	\$ 2.0
Duncan Associates Austin, TX August 20, 2012.	\$ 1.0
Various other Skate Parks, Community and Science Centers, Y	\$ 6.6

Source: <http://www.fresno.gov/councildocs/agenda10.28.2010/1100b.pdf>

<sup>120</sup> City Charter Article 4.8 – Section 12-4.702

<sup>121</sup> City Resolution No. 2005-425

<sup>122</sup> Wiemiller, Patrick N. "Resolution – Adopting a Policy to Provide Certain Fee Waivers from Citywide Impact Fees for Final Maps Pursuant to the Recommendations of the Economic Stimulus Committee." City of Fresno Report to the City Council July 30, 2009. Accessed July 18, 2016. <http://www.fresno.gov/councildocs/agenda7.30.2009/1001a.pdf>

<sup>123</sup> Based off of 2012 National Impact Survey. Prepared by Clancy Mullen, Duncan Associates Austin, TX August 20, 2012. Accessed July 18, 2016. Not all cities with impact fees were included in the survey. The median impact fee for parks of survey respondents in California was \$5,340. The median impact fee for parks of survey respondents in California outside of the San Francisco or Los Angeles metropolitan areas was \$4,129.

<sup>124</sup> Shields West v. City of Fresno. 12/04.2009,

<sup>125</sup> Westrup, Laura. "Quimby Act 101: An Abbreviated Overview." California Department of Parks and Recreation. May 28, 2002.

Accessed July 18, 2016. <http://www.parks.ca.gov/pages/795/files/quimby101.pdf>

<sup>126</sup> In 2009, city council voted to exempt lots outside of the urban growth boundaries – generally areas not located at the edges of the city – from the UGM-related fees.. See City of Fresno City Council Resolution 2009-12

payments, and that the balance, estimated at \$200,000 would be generated by entrance fees and event revenues.

In 2008, the city council, under then-Mayor Alan Autry, voted to borrow \$40 million to finance the rehabilitation of aging parks and to build new parks. The city issued revenue bonds, which did not require voter approval. The borrowing would be repaid largely by using fees from residential construction. However, the recession caused a sharp decline in the home building- which led to a sharp decrease in park impact fees.<sup>127</sup> As of 2010, between \$37-38 million has been spent. The park bonds were backed by the general fund and secured by Woodward Park, the largest and most visited park in the city.<sup>128</sup>

The city continues to pay over \$2 million in debt service annually on these bonds.<sup>129</sup>

## Appendix D: City of Fresno: Budget and Fiscal Health Overview

### Budget

The FY17 city budget includes a 6.9 percent increase in general fund spending from FY16.<sup>130</sup> After debt service and operating expenses, the FY2017 General Fund budget is primarily allocated to public safety. It emphasizes public safety by adding new police officer and firefighter positions, and ensuring long-term financial stability by adding to reserves. Funding for much-needed street repair is also included.<sup>131</sup> Budgets can be revamped throughout the year with five council votes, without the possibility of a mayoral veto.

The FY17 budget includes \$5.3 million to address deferred maintenance in parks throughout the city and also includes funding for the Weekend Community Open Space Program. The proposed FY17 budget for the Parks, After School, Recreation and Community Services department is \$27.3 million.<sup>132</sup> While limited funding exists for parks, the amount available has increased in the last two years.

The FY15-16 City of Fresno budget dedicated nearly \$6 million, or roughly 0.5 percent of the total budget, for park

Revenues by Source - Governmental Activities (2015)	
Property Taxes	26%
Charges for Services	22%
Sales Tax	14%
Capital Grants and Contributions	14%
Operating Grants and Contributions	9%
Other Local Taxes	6%
In-lieu Sales Tax	5%
Business Taxes	4%

Expenses by Type - Governmental Activities (2015)	
Public Protection	52%
Public Ways and Facilities	19%
Community Development	9%
General Government	8%
Culture and Recreation	6%
Interest and Long-term Debt	6%

<sup>127</sup> Appleton, Rory and Hostetter, George. "Community members on Fresno's park budget: It's not enough." *The Fresno Bee*. May 12, 2015. Accessed June 10, 2016. <http://www.fresnobee.com/news/local/article20955900.html>

<sup>128</sup> <http://www.fresno.gov/councildocs/agenda10.28.2010/1100b.pdf>

<sup>129</sup> City of Fresno FY2017 Proposed Budget – Line Item Detail. May 13, 2016. Accessed June 10, 2016.

<sup>130</sup> <http://www.fresnobee.com/news/local/article79541712.html>

<sup>131</sup> Lurie, George. "Fresno Mayor unveils final city budget." *The Business Journal*. May 24, 2016. Accessed June 10, 2016.

<http://www.thebusinessjournal.com/news/government-and-politics/22619-fresno-mayor-unveils-final-city-budget>

<sup>132</sup> Sheehan, Tim. "Fresno's \$1.1 billion budget plan: More for police, fire, parks, blight." *The Fresno Bee*. May 24, 2016. Accessed June 10, 2016. <http://www.fresnobee.com/news/local/article79541712.html>

upgrades. Officials estimate that about \$1 million of these funds will be spent in the southeast section of the city.<sup>133</sup>

The budget also included funding for improvements and expansions to transit bus service. The City of Fresno FAX bus system serves 12 million riders a year. This funding is in addition to construction of a rapid transit bus line that will be paid for using state and federal grants.<sup>134</sup>

Fresno continues to pay about \$2.6 million annually in bond payments for Chukchansi Park, the city-owned baseball stadium that opened in 2002.

### **Fiscal Health**

Fresno's economy is growing at a healthy pace, but remains fundamentally weakened due to chronically high unemployment and low incomes. Fresno's economy remains largely driven by low-wage agriculture-related activity, although the economy has expanded and diversified over several decades of rapid population growth. Unemployment trends higher than the national and state averages.<sup>135</sup> The composition of Fresno's jobs, measured by estimated number of workers by industry, has remained largely the same over the last 25 years. The most notable change is that the percentage of agriculture workers has decreased, while the percentage of service workers has increased.<sup>136</sup>

Fresno's economy suffered very steep and long-lasting declines during the national housing downturn, but the economy has grown at a solid pace in recent years with both job and tax base growth accelerating. The region's agricultural sector has proven resilient through the current California drought and continues to provide a solid base of economic activity for the region. Like many agricultural centers, high unemployment and low incomes are likely to remain a feature of the resource base regardless of near-term cyclical changes.

The city benefits from a diverse general fund revenue mix that is dominated by property taxes (36 percent of total general fund revenues in 2015) and sales (25 percent) taxes. The city has very limited independent revenue raising flexibility due to California Proposition 13 tax limitations. It may not raise its operating property tax rate under any circumstance, and it may only raise other taxes with a vote of the people. The council's only independent policy lever for revenue control is the imposition of fees, and this tool is insufficient to offset cyclical revenue declines in typical recessions.<sup>137</sup>

In June 2016, Fitch, the bond ratings agency upgraded Fresno's debt issuer rating to 'A' from BBB+. Previously, in October 2015, Fitch rated the city's implied rating for general obligation bonds at BBB+, which indicates good credit quality, and a stable outlook.

However, Fitch stated that Fresno's rating is below the expected range for a U.S. municipality and is particularly low for a large city, most of which are rated 'A' or higher." While Fitch noted that it expects the rating to rise over the next several years if the city continues to follow the financial

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<sup>133</sup> Appleton, Rory and Hostetter, George. "Community members on Fresno's park budget: It's not enough." *The Fresno Bee*. May 12, 2015. Accessed June 10, 2016. <http://www.fresnobee.com/news/local/article20955900.html>

<sup>134</sup> Hess, Jeffrey. "Fresno Breaks Ground on Bus Rapid Transit." *KVPR*. June 1, 2016. Accessed June 10, 2016.

<http://kvpr.org/post/fresno-breaks-ground-bus-rapid-transit>

<sup>135</sup> Sheehan, Tim. "Fresno's bond ratings stable, but lower than expected." *The Fresno Bee*. October 26, 2015. Accessed June 10, 2016. <http://www.fresnobee.com/news/business/article41460543.html>

<sup>136</sup> City of Fresno 2016-2017 Proposed Budget, Page D-2.

<sup>137</sup> The preceding three paragraphs largely excerpted from: "Fitch Upgrades Fresno, CA's IDR to 'A' and Leases to 'A-'; Outlook Stable. Fitch Ratings. June 23, 2016. Accessed July 13, 2016. <http://www.businesswire.com/news/home/20160623005968/en/Fitch-Upgrades-Fresno-CAS-IDR-Leases-A->

policies it instituted during the Great recession, the rating is hampered by the weakness in the central San Joaquin Valley economy.

Similarly, in September 2015, the ratings agency Moody's increased the city's issuer rating from Baa1 to A3, and revised the rating from positive to stable. This rating represents what the city's general obligation bond rating would be if the city had outstanding GO debt. This was the first upgrade of the city's debt ratings since the recession.<sup>138</sup> Moody's cited recent growth in taxable property values, sales tax collections and employment as reasons for the rating upgrade. Moody's also cited consecutive operating surpluses and improved budgets in recent fiscal years.<sup>139</sup>

As of March 2016, the City of Fresno's employment retirement system is the only major public pension program in California with a surplus, rather than with unfunded pension liabilities. Pensions in the City of Fresno are modest compared to most other California governments, including Fresno County.<sup>140</sup>

In its FY15 Comprehensive Financial Annual Report, the city states that it must balance the following priorities: restore services, invest in deferred maintenance, pay off debt, and fund reserves for future economic downturns.<sup>141</sup>

## The Great Recession in the City of Fresno

Like many other California cities, Fresno was severely impacted by the recession. The collapse of the housing market, tax base, and charges for services in Fresno, as in many other California cities, severely restricted the city's ability to generate revenue and forced the city to make substantial cuts to city services. Combined with increases in labor costs, due in part to long term employment contracts entered into when the economy was growing, the city faced an increasing deficit. Beginning in February 2009, the city undertook major rounds of budget reductions to address budget shortfalls. Non-essential city services were either eliminated or severely curtailed.

By all measures, the Fresno economy is recovering – although the rebound remains fragile. The current unemployment rate for the city of Fresno in 2015 was 11.1 percent, slightly above the county rate and above the state rate. This represents a slight increase from 2014, but is below the unemployment rates in previous years.

Unemployment Rates			
Year	Fresno	County	State
2015	11.10%	10.20%	6.30%
2014	10.30%	11.00%	7.10%
2013	12.50%	11.90%	8.80%
2012	14.70%	15.20%	11.50%
2011	15.60%	16.50%	11.70%
2010	15.80%	16.80%	12.40%
2009	14.10%	14.90%	11.30%
2008	9.80%	10.40%	7.20%
2007	8.00%	8.50%	5.30%
2006	7.50%	8.00%	4.90%

Source: Employment Development Department. City of Fresno 2016-2017 Proposed Budget Page D-2

<sup>138</sup> Kohlruess, Craig. "Moody's boosts Fresno's credit ratings." *The Fresno Bee*. September 16, 2015. Accessed June 10, 2016. <http://www.fresnobee.com/news/business/article35466921.html>

<sup>139</sup> "Rating Action: Moody's upgrades Fresno (CA's) GO Rating to A3; related ratings also upgraded by one notch; outlook on lease revenue, pension and judgement bonds remain positive." *Moodys' Investors Service*. September 15, 2015. Accessed June 10, 2016. [https://www.moodys.com/research/Moodys-upgrades-Fresno-CAs-GO-Rating-to-A3-related-ratings-PR\\_334693](https://www.moodys.com/research/Moodys-upgrades-Fresno-CAs-GO-Rating-to-A3-related-ratings-PR_334693)

<sup>140</sup> Sheehan, Tim. "Fresno's city pension program boasts surplus- rarity in California." *The Fresno Bee*. March 10, 2016. Accessed June 10, 2016.

<sup>141</sup> FY2015 CAFR Page 46.

For the first time since 2011, the Fiscal Year 2014 Comprehensive Annual Report did not include a statement of “going concern,” an accounting designation for when there is a significant doubt about the governments’ ability to continue as a going concern for at least twelve months beyond the financial date.<sup>142</sup>

The FY15 Comprehensive Annual Financial Report showed that city revenues increased by 4.3 percent or 30.2 million, in fiscal year 2015.<sup>143</sup> The fiscal year 2015 total assessed property value of \$30.1 million was just under fiscal year 2009’s record level of \$30.3 million, reflecting the fact that property values are recovering from the impacts of the recession.<sup>144</sup>

A 2015 Brookings Institution study found that the combined positive change in employment and gross domestic product growth per person in the Fresno metro area outranked all other California metro areas.<sup>145</sup>

## Appendix E: Local Public Finance in California

In California, local governments hold the authority to impose a broad range of taxes. All taxes imposed by local governments in California are considered to be either general taxes or special taxes.<sup>146</sup> General taxes may be imposed only by local governments for general government purposes and not by special purpose districts, such as school districts. An imposition, extension or increase of any general tax requires the approval of a majority of voters at a regularly scheduled general election for members of the governing body. Revenues from general taxes are deposited into the General Fund. Special taxes are imposed for specific purposes by counties, cities and special districts. Any imposition, extension or increase of a special tax must be approved by a two-thirds vote.<sup>147</sup> Any tax imposed by a special district is considered a special tax. Revenues from special taxes are deposited into segregated accounts restricted to the use for which they were imposed and collected.

The State of California authorizes communities to use various revenue sources for parks and recreation purposes including property-related taxes, sales and use taxes, general obligation bonds, the creation of financing districts that serve as financing mechanisms, and the creation of special districts. Each of these funding mechanisms requires approval by the electorate (or landowners in the case of special districts) and, in various communities in California, they have enjoyed widespread support.

### Evolution of Voter Approval Requirements for Taxes

In 1978, California voters approved Proposition 13, which lowered the property tax rate to a maximum of one percent for general purposes, and required special taxes to be approved by two-thirds of voters. In 1986, voters approved Proposition 46, which allowed local governments to raise the property tax rate to finance infrastructure bonds if approved by two-thirds of local voters.<sup>148</sup> In 1982, the case *City and County of San Francisco v. Farrell* defined a special tax as a tax levied for

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<sup>142</sup> Hostetter, George. “City Council to debate a blunt CAFR.” *The Fresno Bee*. April 24, 2013. Accessed June 10, 2016. <http://news.fresnobeehive.com/archives/2332>

<sup>143</sup> <http://www.fresno.gov/News/PressReleases/2016/positive.htm>

<sup>144</sup> City of Fresno FY2015 Comprehensive Annual Financial Report, Page 5.

<sup>145</sup> <http://calwatchdog.com/2015/01/28/fresno-beats-sf-san-jose-in-economic-growth/>

<sup>146</sup> Cal. Const. Art. XIII C, Sect. 2 (Proposition 218, “the Right to Vote on Taxes Act,” 1996); Cal. Government Code §§53720-53730.

<sup>147</sup> See Cal. Government Code §§50075-50077.5 (containing additional requirements for voter-approved special taxes).

<sup>148</sup> “A Look at Voter-Approval Requirement for Local Taxes.” Legislative Analyst’s Office – The California Legislature’s Nonpartisan Fiscal and Policy Advisor. March 20, 2014. Accessed June 10, 2016. <http://www.lao.ca.gov/reports/2014/finance/local-taxes/voter-approval-032014.aspx>

a specific purpose. In 1996, California voters approved Proposition 218, which required all general taxes to be approved by a simple majority of voters; and required all parcel taxes to be levied as special taxes. Proposition 218 also restricted the ability of local governments to impose fees and assessments.

## Appendix F: California Conservation Ballot Measure Results

California Municipal Conservation Finance Ballot Measures - 1996 to 2015						
Jurisdiction Name	Date	Finance Mechanism	Total Funds Approved	Conservation F	Status	% Yes
San Francisco	6/7/2016	Budget Allocation	\$2,662,900,000	\$133,145,000	Pass	60.05%
San Carlos	11/3/2015	Bond			Fail	39.49%
San Luis Obispo	11/4/2014	Sales tax	\$52,000,000	\$2,600,000	Pass	70.32%
Laguna Beach	11/6/2012	Parcel tax			Fail	44.82%
San Francisco	11/6/2012	Bond	\$195,000,000	\$7,500,000	Pass	72.11%
Portola Valley	11/3/2009	Utility tax	\$984,000	\$984,000	Pass	65.92%
San Juan Capistrano	11/4/2008	Bond	\$30,000,000	\$30,000,000	Pass	70.26%
Pasadena	10/27/2008	Benefit Assessment	\$1,364,090	\$1,364,090	Pass	60.38%
San Francisco	2/5/2008	Bond	\$185,000,000	\$5,000,000	Pass	71.33%
Santa Clarita	7/10/2007	Benefit Assessment	\$46,683,000	\$46,683,000	Pass	62.77%
Castro Valley	11/7/2006	Bond			Fail	62.62%
Claremont	11/7/2006	Bond	\$12,500,000	\$12,500,000	Pass	70.78%
San Luis Obispo	11/7/2006	Sales tax	\$45,000,000	\$2,250,000	Pass	64.77%
Santa Monica	11/7/2006	Parcel tax	\$47,000,000	\$11,750,000	Pass	67.03%
Claremont	7/25/2006	Benefit Assessment			Fail	44.00%
Santa Clarita	11/22/2005	Benefit Assessment			Fail	46.95%
Portola Valley	11/8/2005	Utility Tax	\$800,000	\$800,000	Pass	57.74%
Carmel-by-the-Sea	4/5/2005	Transient occupancy tax			Fail	54.25%
Los Angeles	11/2/2004	Bond	\$500,000,000	\$100,000,000	Pass	76.30%
Martinez	11/2/2004	Bond			Fail	61.85%
Oakland	11/5/2002	Bond	\$198,250,000	\$50,000,000	Pass	80.04%
Carlsbad	11/5/2002	Budget allocation			Pass	59.70%
Malibu	11/6/2001	Bond			Fail	61.30%
Portola Valley	11/6/2001	Utility tax	\$760,000	\$760,000	Pass	73.54%
Duarte	6/26/2001	parcel tax			Fail	41.10%
Davis	11/7/2000	Parcel tax	\$17,500,000	\$17,500,000	Pass	70.45%
Monrovia	7/11/2000	Parcel tax	\$10,000,000	\$10,000,000	Pass	77.29%
San Francisco	3/7/2000	Charter Amendment	\$510,000,000	\$150,000,000	Pass	73.76%
Santee	11/9/1999	Parcel tax			Fail	13.67%
San Carlos	11/2/1999	Parcel tax	\$1,200,000		Pass	76.25%
Santa Cruz	11/3/1998	Bond	\$7,000,000	\$2,700,000	Pass	76.11%
Moreno Valley	11/3/1998	Parcel tax			Fail	41.35%
Moorpark	11/3/1998	Parcel tax			Fail	33.29%
Portola Valley	11/4/1997	Utility tax	\$608,539	\$608,539	Pass	80.89%
Oakland	11/5/1996	Bond	\$45,420,000	\$7,600,000	Pass	77.68%
Albany	11/5/1996	Benefit assessment	\$9,600,000	\$5,000,000	Pass	61.55%
Folsom	11/5/1996	Bond			Fail	48.32%
Los Angeles	11/5/1996	Benefit Assessment	\$500,000,000	\$30,000,000	Pass	50.19%
San Luis Obispo	11/5/1996	Benefit Assessment			Pass	52.08%
Thousand Oaks	11/5/1996	Bedroom tax			Fail	57.76%

## Appendix G: Overview of California Local Government Tax Levies

Overview of California Local Government Tax Levies		
Tax	Description	What Local Governments may Levy?
<b>Property Tax for debt</b>	A levy on property based on the properties' assessed value and used for voter approved debt.	Cities, counties, special districts, and school and community college districts
<b>Parcel Tax</b>	A levy on parcels of property, typically set at some fixed amount per parcel. Cannot be based on a property's value.	Cities, counties, special districts, and school and community college districts
<b>Sales Tax</b>	A levy on the retail sale of tangible goods.	Cities, counties, and some special districts
<b>Hotel Tax</b>	A levy on the occupancy of hotels, motels, or other short-term lodging.	Cities and counties
<b>Utility Tax</b>	A levy on the use of utilities, such as electricity, gas, or telecommunications.	Cities and counties
<b>Business Tax</b>	A levy on operators of businesses.	Cities and counties
<b>Other Taxes</b>	Other types of taxes including Mello-Roos taxes and property transfer taxes.	Primarily cities and counties
<p><b>Note: Special Districts and School and Community College Districts Have More Narrow Tax Authority.</b> Most special districts and school and community college districts are authorized to levy only parcel taxes to fund services. Parcel taxes generally are paid by most property owners within each local government's jurisdiction. In some cases, however, certain groups of property owners—such as senior citizens—may be exempted. A limited number of special districts—primarily transportation districts—also may levy sales taxes.</p>		
<p>Excerpted from: "A Look at Voter-Approval Requirements for Local Taxes" California Legislative Analyst's Office. March 20, 2014. Accessed July 13, 2016. <a href="http://www.lao.ca.gov/reports/2014/finance/local-taxes/voter-approval-032014.aspx#How_California.2019s_Requirements_Evolved">http://www.lao.ca.gov/reports/2014/finance/local-taxes/voter-approval-032014.aspx#How_California.2019s_Requirements_Evolved</a></p>		



## Appendix H: Approval Requirements for Local Revenue Measures

Approval Requirements for Local Revenue Measures		
Type	Governing Body Approval	Voter Approval
City or county "general" taxes (revenues used for unrestricted purposes)	If consolidated with a regularly scheduled election of members of the legislative body: 2/3 for transactions & use taxes, Other taxes: 2/3 for general law cities; majority for charter cities. If not consolidated, unanimous declaration of "emergency" required.	Majority
City or county "special" taxes (revenues used for specific purposes)	Majority (2/3 for transactions & use taxes)	Two-thirds
All school or special district taxes	Majority	Two-thirds
General obligation bonds (non-school)	Majority	Two-thirds
General obligation bonds (School)	Majority	The Constitution specifies that a majority of voters can approve bonds used for repairing or replacing unsafe public school buildings and 55 percent of voters can approve bonds for new school facilities under certain conditions.
Excerpted from "Approval Requirements for State and Local Revenues. Michael Coleman/ California City Finance. <a href="http://www.californiacityfinance.com/RevApprv.pdf">http://www.californiacityfinance.com/RevApprv.pdf</a>		

## Appendix I: Successful Park and Conservation Parcel Tax Ballot Language

### Safe, Clean Neighborhood Parks, Open Space, Beaches, Rivers Protection, and Water Conservation Measure

To replace expiring local funding for safe, clean neighborhood/ city/ county parks; increase safe playgrounds, reduce gang activity; keep neighborhood recreation/ senior centers, drinking water safe; protect beaches, rivers, water resources, remaining natural areas/ open space; shall 1.5 cents be levied annually per square foot of improved property in Los Angeles County, with bond authority, requiring citizen oversight, independent audits, and funds used locally?

The measure passed with 75 percent support.

### Davis Parks Maintenance Tax Ballot Measure, June 2012

Shall Ordinance No. 2387, which extends for six years the existing Parks Maintenance Tax of \$49 on residential units and on non-residential units in amounts specific in the Ordinance, to fund maintenance of parks, street trees, greenbelts, bike paths, medians, public landscaping, urban wildlife and habitat, swimming pools, and recreational facilities be adopted?

☐ Yes ☐ No

The measure passed with 84 percent support.

## Appendix J: Successful Park and Conservation Bond Ballot Language

City and County of San Francisco, November 2012.

### B Clean and Safe Neighborhood Parks Bond

#### SAN FRANCISCO CLEAN AND SAFE NEIGHBORHOOD PARKS BOND,

To improve the safety and quality of neighborhood parks across the city and waterfront open spaces, enhance water quality and clean up environmental contamination along the Bay, replace unsafe playgrounds, fix restrooms, improve access for the disabled, and ensure the seismic safety of park and recreation facilities, shall the City and County of San Francisco issue \$195 million dollars in General Obligation bonds, subject to independent oversight and regular audits?

*The measure passed with 72 percent support.*

## Appendix K: Successful Park and Conservation Sales Tax Ballot Language

City of San Luis Obispo, San Luis Obispo County. November 2014.

### CITY OF SAN LUIS OBISPO

YES NO

#### MEASURE G-14

To protect and maintain essential services and facilities -- such as open space preservation; bike lanes and sidewalks; public safety; neighborhood street paving and code enforcement; flood protection; senior programs; and other vital services and capital improvement projects -- shall the City's Municipal Code be amended to extend the current one-half percent local sales tax for eight years, with independent annual audits, public goal-setting and budgeting, and a Citizens' Oversight Commission?

The measure passed with 70 percent support. Voters approved the initial increase in 2006.

## Appendix L: Local Election Results 2000-2015

Fresno County Public Finance Ballot Measure Results								
Date	Jurisdiction	Description	Mechanism	Result	City of Fresno		County/ Jurisdiction	
					% Yes	% No	% Yes	% No
November 2014	County of Fresno	Measure Z: 10 year , 1/10 cent Extension for Zoo.	Transactions and Use Tax (Add-on Sales Tax) - Special Tax - Two-Thirds Approval Required	PASS	75.2%	24.83%	71.3%	28.7%
June 2014	County of Fresno	Measure A: Vehicle Registration Tax to fund abatement and removal of abandoned vehicles	Vehicle Registration Tax	FAIL	53.5%	46.48%	50.7%	49.3%
November 2012	County of Fresno	Measure B: 1/8 cent sales tax extension for 16 years, for libraries.	Transactions and Use (Add on Sales Tax) - Special Tax - 2/3 Approval Required	FAIL	76.86%	23.14%	71.8%	28.3%
November 2010	Fresno Unified School	Measure Q: \$280 million bond for schools.	School Bond Measures - 55% approval Required	PASS	82.14%	17.86%	74.8%	25.2%
November 2008	County of Fresno	Measure L: 1/8 cent increase for Libraries, 16 years.	Special Transactions and Use Measures (2/3 voter approval required)	FAIL	67.50%	32.50%	62.4%	37.6%
November 2006	County of Fresno	Measure C: 20 year extension of 1/2 cent countywide transportation sales tax measure	Countywide transportation sales Tax Measures (2/3 approval required)	PASS	79.89%	20.11%	77.7%	22.3%
November 2004	County of Fresno	Measure J: 6 percent transient occupancy (Hotel/Motel) tax.	Transient Occupancy (Hotel/ Motel) Taxes - Special Tax - 2/3 Approval Required	FAIL	N/A	N/A	44.1%	55.9%
November 2004	County of Fresno	Measure B: 1/8 cent renewal for 7 years, for Libraries	Special Transactions and Use Measures (2/3 approval required)	PASS	N/A	N/A	71.0%	29.0%
November 2004	County of Fresno	Measure Z: 1/10 cent sales tax increase for zoo.	Special Transactions and Use Measures (2/3 voter approval required)	PASS	N/A	N/A	72.9%	27.1%
November 2002	County of Fresno	Measure C: Extend 1/2 percent transportation sales tax rate for 30 years	Transactions & Use Tax - Countywide Transportation (Special Tax - 2/3 Approval Required)	FAIL	N/A	N/A	53.7%	46.3%
November 2002	County of Fresno	Measure E: 1/10 percent sales tax increase for zoos, 7 years.	Transactions and Use Tax (Special Tax - 2/3 Approval Required)	FAIL	N/A	N/A	56.5%	43.5%
November 2000	City of Fresno	Measure C: Hotel Tax	Transient Room Tax - Increase from 12% to 13%	FAIL	29.8%	70.2%	-	-

## Appendix M: Selected Ballot Language for Fresno-Area Public Finance Measures

### *November 2014 Fresno County: Fresno Chaffee Zoo Sales Tax, Measure Z*

To ensure the continuing success of Fresno Chaffee Zoo by providing necessary funding for repairs and maintenance, improved animal care, continuing the zoo's Species Survival and Children's Education Programs, maintaining low entrance fees, improving visitor amenities, and providing animals with safer more spacious natural habitats; shall Fresno County voters extend the existing 1/10th of one percent sales tax for ten additional years, with all proceeds exclusively for Fresno Chaffee Zoo?

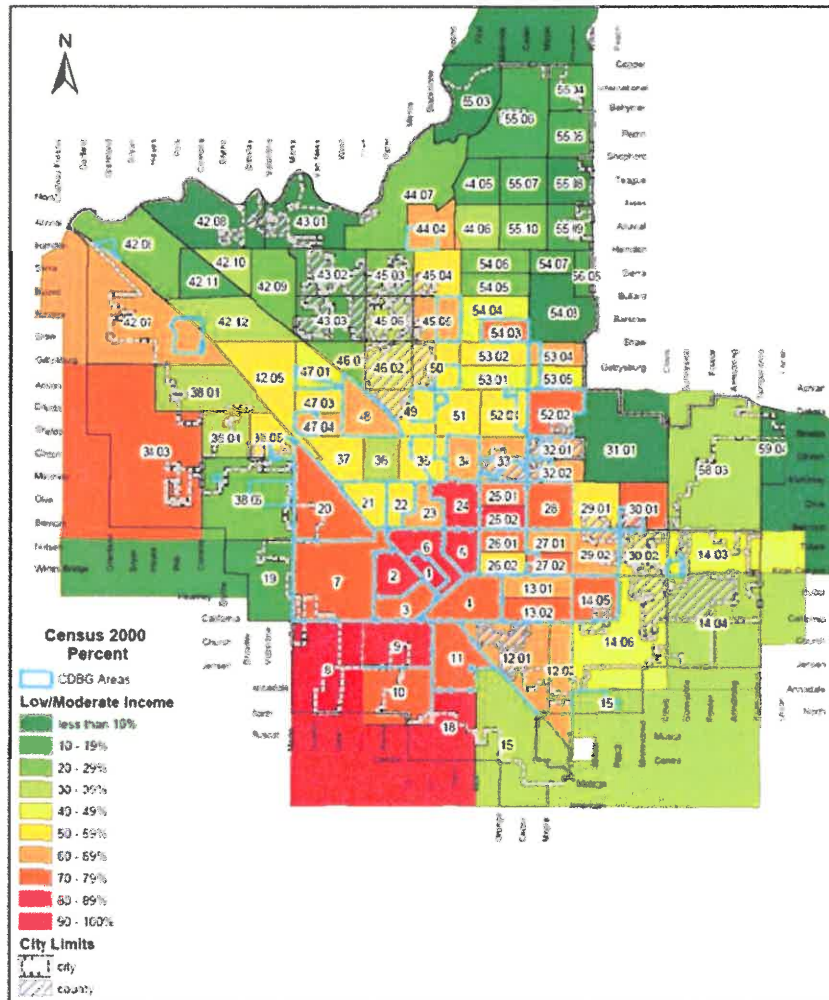
The measure passed with 72.26 percent of the vote.

### *November 2012 Fresno County: Library Sales Tax, Measure B*

To protect libraries from state budget cuts by preventing library closures and reduced library hours; keeping qualified librarians; improving reading/literacy, job search programs/computer technology; providing neighborhood school-library joint programs, and maintaining services for children, seniors and the blind, shall Fresno County voters continue the voter-approved 1/8-cent sales tax for neighborhood libraries for sixteen years, with audits, citizen's oversight, all funds staying in Fresno County and no tax rate increase?

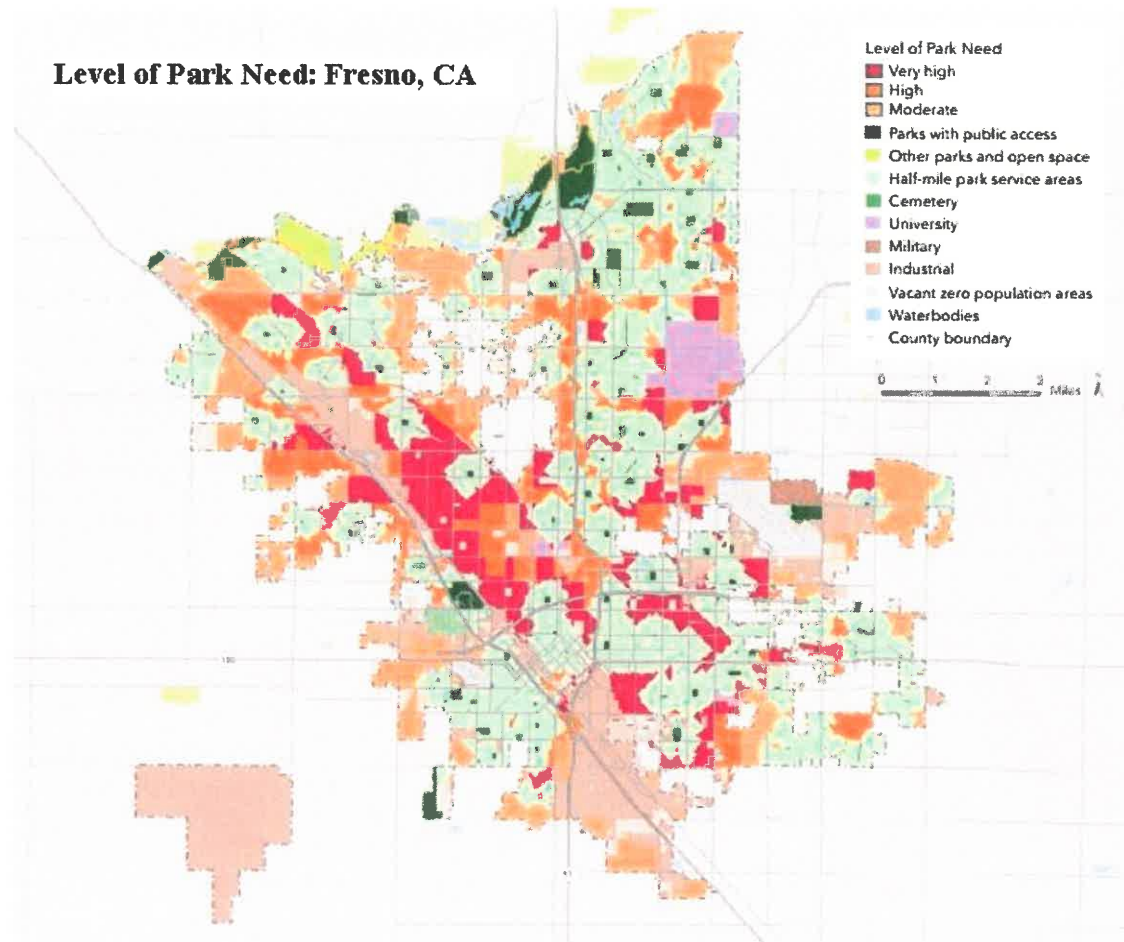
The measure passed with 71.8 percent of the vote.

## Appendix N: Concentration of Low and Moderate Income Populations<sup>149</sup>



<sup>149</sup> From Appendix A of City of Fresno Annual Action Plan. [http://www.fresno.gov/NR/rdonlyres/71CA4A8E-D2F4-4199-BA9D-7D889441E319/0/FY2015AnnualActionPlan\\_Final.pdf](http://www.fresno.gov/NR/rdonlyres/71CA4A8E-D2F4-4199-BA9D-7D889441E319/0/FY2015AnnualActionPlan_Final.pdf) Accessed May 25, 2016.

## Appendix O: The Trust for Public Land's ParkScore Analysis



**With any questions or for more information please contact:**

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EMCresearch.com

**To:** Interested Parties  
**From:** Ruth Bernstein, Jessica Polsky; EMC Research, Inc.  
**Date:** January 31, 2017  
**Re:** Findings from November 2016 survey of Fresno registered voters

The following is an overview of a recent public opinion survey to assess overall priorities for Fresno, satisfaction with and priorities for local parks and recreation, and the feasibility of a potential revenue measure to fund the maintenance and improvement of local parks, facilities and recreational programs in the City of Fresno. The following are key highlights from the poll.

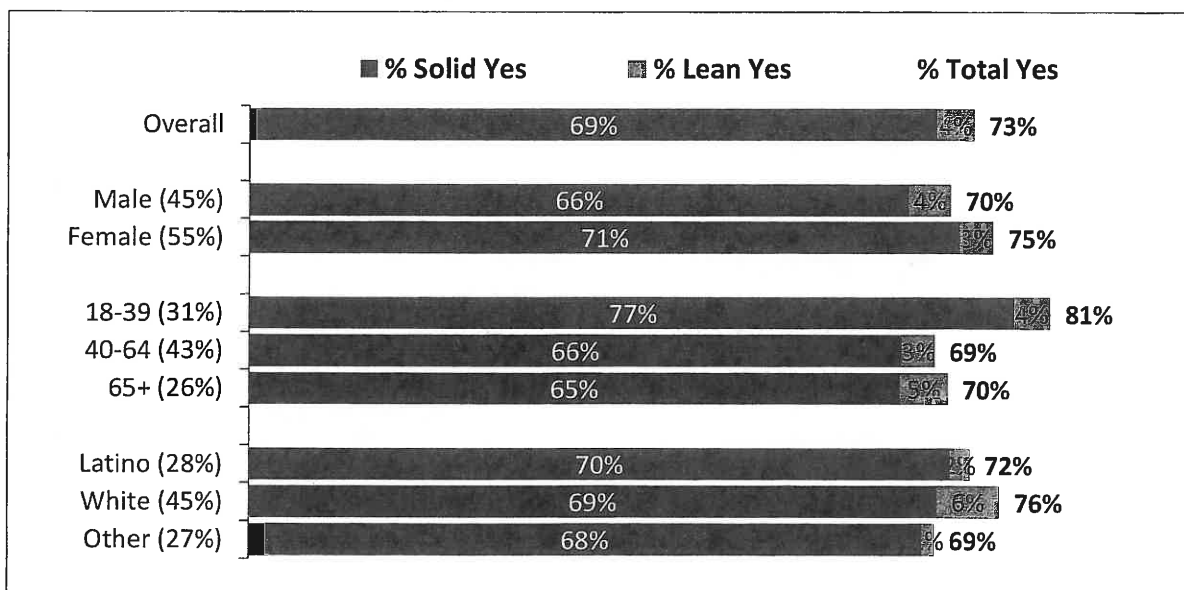
#### Potential Sales Tax Measure Tested in Poll:

*To provide clean, safe neighborhood parks for all Fresno residents; reduce crime and homelessness in parks; ensure accessibility for persons with disabilities; update and maintain playgrounds, play areas, and swimming pools; maintain and improve recreational programs for youth and seniors; provide additional parks and trails; and improve walking and biking access to parks, shall the City of Fresno levy a one-eighth cent sales tax, for 10 years, raising approximately \$13 million annually, exclusively for Fresno parks and recreation?*

#### Key Findings

- Polling shows widespread support for a potential sales tax to fund parks and recreation safety, maintenance and improvements. Over two-thirds of voters initially say they would at least lean toward voting yes on a measure for clean, safe parks in Fresno (73%). Overall voter support further increases to 76% when additional information about the measure is provided.

Figure 1: Initial Support by Key Demographics

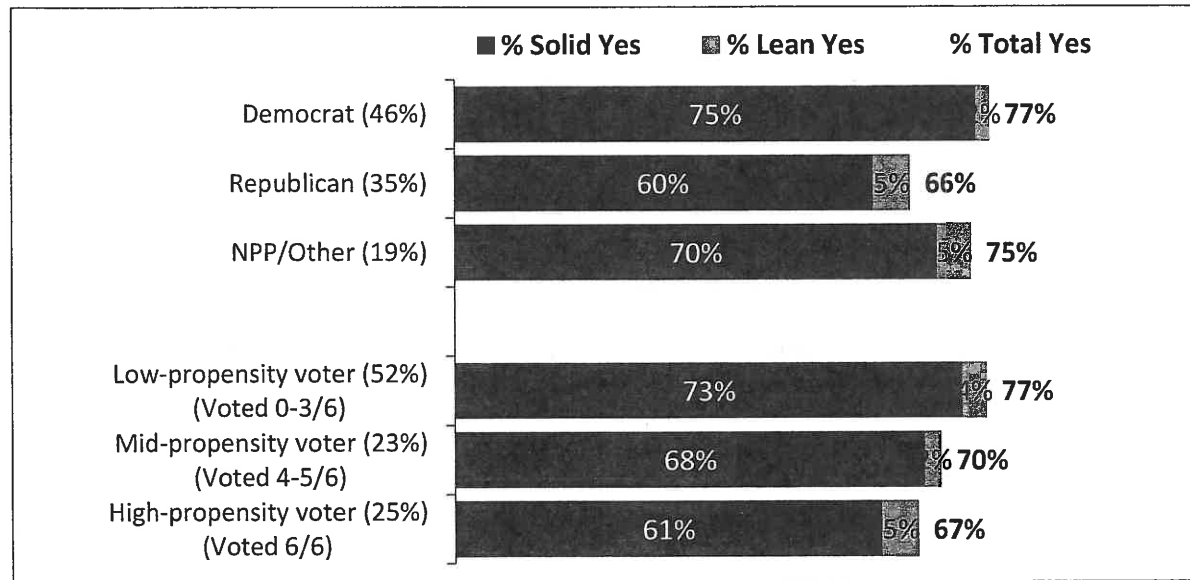


This poll was conducted November 15-20, 2016 by EMC Research among 503 likely November 2018 voters in the City of Fresno. The results have a margin of error of +/- 4.4 percentage points. The survey was offered in English, and included both landlines and cellphones.



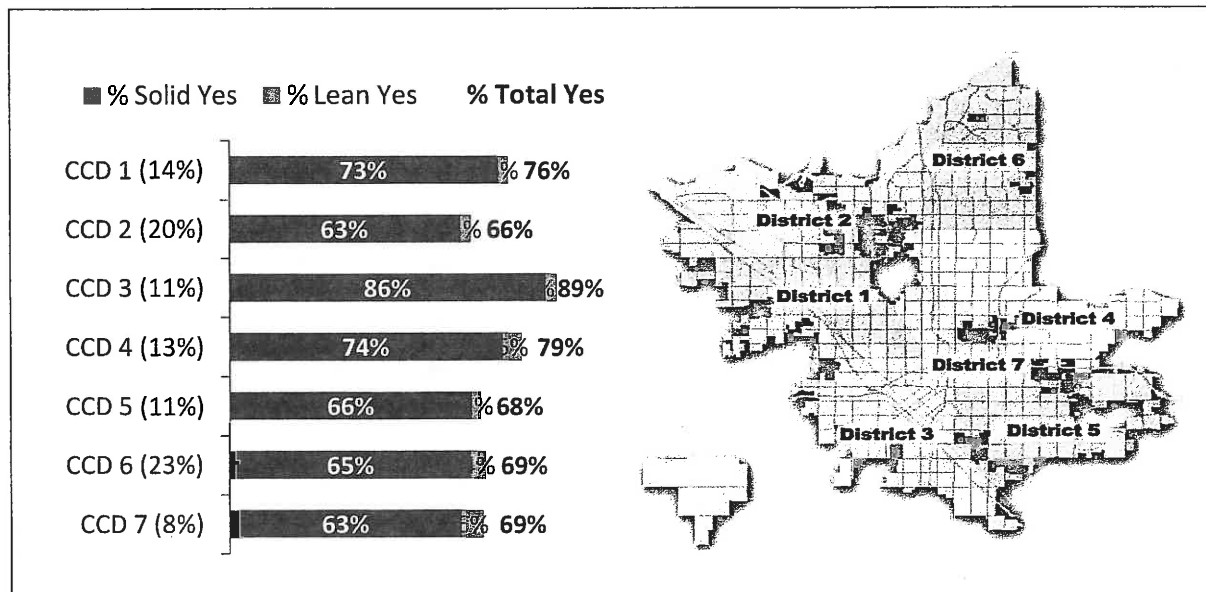
- Seventy-seven percent of Democrats and nearly two-thirds of Republican voters (66%) support a potential measure. High-propensity voters, most likely to vote in low-turnout elections, are less supportive today (67%) than lower propensity voters.

**Figure 2: Support by Ideology and Vote History**



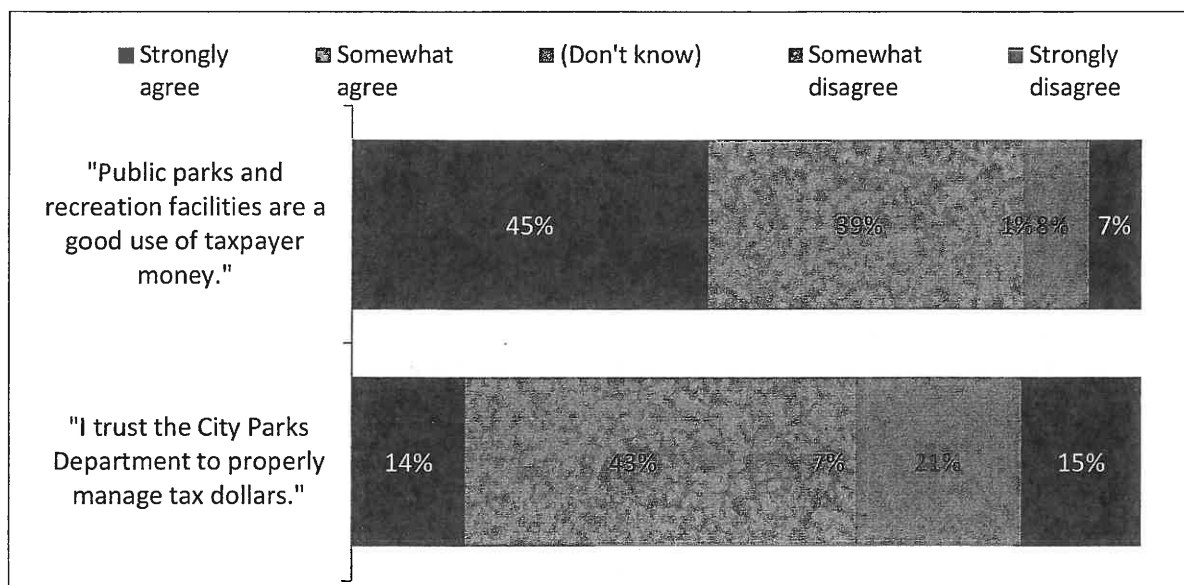
- Residents in the Southern part of Fresno are most supportive of a potential measure. Nonetheless, there is over two-thirds support for a measure throughout all regions.

**Figure 3: Support by City Council District**



- An overwhelming majority of respondents agree that parks and recreation are a good use of taxes. Over a majority also indicate they trust the Parks department with their tax dollars.

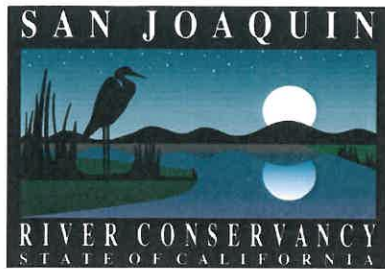
**Figure 4: Tax Dollars for Parks**



- Providing clean and safe neighborhood parks is important to 89% of survey respondents. However, a majority agree that Fresno parks are “run-down, deteriorating and unsafe”.
- Out of a long list of possible measure components, many of voters’ highest priorities focus on making parks safer and cleaner. Top priorities include:
  - Reduce crime and homelessness in parks
  - Ensure park facilities are accessible to persons with disabilities
  - Prevent graffiti and vandalism in local parks
  - Maintain and improve after-school programs and recreation for children and youth
  - Update and maintain park bathrooms
  - Provide clean, safe neighborhood parks for all Fresno residents
- Voters indicate that providing recreation to help keep kids busy and out of trouble, and improving safety at local parks are particularly convincing reasons to support a measure. The most convincing messages in favor of the measure include:
  - “This measure will improve safety at all of our parks by adding safety lighting, installing security cameras, and reducing the number of homeless people in local parks.”
  - “This measure will help continue after-school activities, sports, and other recreational programming for children and at-risk youth to help them learn valuable job skills, keep busy and out of trouble.”

- “This measure is needed to bring our parks and recreation centers up to current health and safety standards, including repairs to damaged pathways, playground equipment and sports fields, and improvements to ensure access for people with disabilities.”
  - “Right now, parks in some parts of Fresno are adequate while parks in other neighborhoods lack adequate facilities and are too old and worn down to use. This measure will ensure that all Fresno neighborhoods have updated, usable parks for kids to play in.”
  - “This measure is a good investment for Fresno. Maintaining quality parks and landscaping will protect our local property values and maintain our community as a desirable place to live, work, and raise a family.”
  - “This measure will include an independent citizen oversight committee and audits to oversee all expenditures and ensure that funds are only spent on Fresno parks maintenance and improvements.”
  - “Updating our parks and providing walking trails are a key part of maintaining healthy communities in Fresno. This measure will make sure all residents, including children, youth, and seniors, have safe places to get out of the house to play or exercise.”
- A potential sales tax measure could be vulnerable to opposition arguments that tap into anti-tax sentiment and mistrust in the City. Indeed, half of respondents at least somewhat agree that taxes are already high enough so they will vote against any tax increase. However, even after respondents hear an argument against the potential sales tax measure for clean, safe parks, total support remains above the two-thirds threshold needed for approval.





## SAN JOAQUIN RIVER CONSERVANCY

*Agenda Item*

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Item G-2

October 4, 2017

TO: San Joaquin River Conservancy Governing Board

FROM: Melinda S. Marks, Executive Officer

**SUBJECT: Presentation by Department of Justice: Decision-Makers' Obligations and Process for Environmental Impact Reports and Project Approvals under the California Environmental Quality Act (CEQA)**

**RECOMMENDATION:**

This report is for informational purposes. No Board action is recommended.

**SUMMARY:**

Deputy Attorney General Christina Morkner Brown will provide a briefing to the Board to prepare for the pending public hearing to consider the proposed River West Fresno, Eaton Trail Extension Project. Ms. Morkner Brown will provide a general overview of the required steps in the approval process under CEQA. She will go over the EIR certification process and documents involved in the project approval to help inform Board members of their legal responsibilities as the decision-makers.

Although this overview will help prepare Board members for consideration of the River West Fresno, Eaton Trail Extension EIR, specifics related to that document or the project will not be discussed. That project-specific discussion will be reserved for the Board hearing currently planned for November 15, 2017.

This presentation should prove helpful to the Board in conducting future EIR hearings, and the assistance of Ms. Morkner Brown is truly appreciated. The presentation slides can be provided to Board members unable to attend the October 4 meeting.



# SAN JOAQUIN RIVER CONSERVANCY

## *Agenda Item*

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Item G-3

October 4, 2017

TO: San Joaquin River Conservancy Governing Board

FROM: Melinda S. Marks, Executive Officer

**SUBJECT: Authorize Bond Funds to Augment the Spano Ranch Habitat Restoration Project Grant to the San Joaquin River Parkway and Conservation Trust**

### RECOMMENDATION:

It is recommended the Board approve an augmentation of \$275,000 in bond funds for an existing grant project with the San Joaquin River Parkway and Conservation Trust to provide habitat restoration within 100 acres of the Conservancy's Spano property. The augmentation would bring the total project grant to \$825,000 to complete the restoration. Wildlife Conservation Board (WCB) authorization would be requested at their November 2017 or February 2018 meeting.

### SUMMARY:

In 2015 the Conservancy and Wildlife Conservation Board authorized \$550,000 in bond funds for a grant to the River Parkway Trust to complete habitat restoration within 100 acres at the Conservancy's Spano property (also known as River West Fresno). The restoration project will reestablish floodplain and riparian habitat on the previously gravel-mined site, and provide shade and enhance nature observation opportunities when the site is developed for public access and low-impact recreation. The scope of work includes development of irrigation infrastructure from an existing well, extensive planting on the floodplain and on the perimeter of the large "H" pond, plant establishment activities (e.g., weed management and irrigation until the plants are self-sustaining), and services to support plantings previously installed under other fund sources by Ducks Unlimited and California Waterfowl Association.

The River Parkway Trust has submitted the attached augmentation request. It describes the accomplishments to date and the challenges experienced at the site, and presents a revised budget with augmentation. The information includes a comparison of the project scope and budget against the Jensen River Ranch Habitat Enhancement Project and the recently augmented River Partners' project at the Riverbottom Park site and Schneider property. The River Parkway Trust's request indicates that the grant project was underbudgeted given the size and layout of the Spano property, and that unusual conditions led to unanticipated costs: the high and prolonged rains of 2016-2017 led to a spike in the vole population which resulted in high plant mortality, and led to unbudgeted expenses for manual labor and repeated mowing at the site.

The River Parkway Trust's draft request was for a larger budget augmentation, and at the encouragement of the Conservancy and WCB staff, they refined their proposal and reduced the

request. Ms. Heidi West visited the project site with Parkway Trust staff on September 15, 2017, to see first-hand the site conditions.

The recommended \$275,000 budget augmentation is believed to be reasonable and necessary due to the initial budget and unforeseen challenges. Habitat restoration projects are of course subject to droughts, prolonged rains, and rodents, among other conditions. The Trust has done its best to adapt its management at the project site to consecutive years characterized by extreme drought and precipitation. Given the anticipated benefits that this project will bring to the Parkway, Conservancy staff recommends augmenting the project so that the Trust may complete the scope of work as originally planned.

**DISCUSSION:**

The project and proposed augmentation are discussed in greater detail in the attached proposal.

Attachment: Spano Ranch Habitat Restoration Augmentation Request

## **Spano River Ranch Habitat Enhancement Project Budget Augmentation Request**

### **Summary**

The San Joaquin River Parkway and Conservation Trust, Inc. is requesting a budget augmentation of \$274,997 for the Spano River Ranch Habitat Enhancement Project. Having completed the installation of the irrigation system and approximately 14,000 native plants at the site, the Trust now recognizes that the project was under budgeted due to comparisons with prior projects that had lower plant densities and direct travel paths throughout the work area. Augmentation of the project budget will allow for limited replanting and appropriate plant establishment activities through March 2020 to fully achieve project goals. The project will result in the enhancement and restoration of 51 acres of upland, riparian, and wetland habitat surrounding the H-shaped pond, and provide greater recreational and scenic values for future visitors.

### **Background**

The San Joaquin River Parkway and Conservation Trust, Inc. (Trust) is a 501(c)3 nonprofit organization formed to preserve and restore San Joaquin River lands of ecological, scenic, and historic significance; to research issues affecting the river; to educate the public on the need for stewardship; and to promote educational, recreational, and agricultural uses of the river bottom consistent with protection of the river's resources.

The Trust began implementing small-scale habitat enhancement projects in the mid-1990s, and conducted planning, permitting, and implementation of the first two phases of the multi-benefit Jensen River Ranch Habitat Enhancement Project between 1998-2016. The Trust has conducted large-scale invasive species management projects along the San Joaquin River for more than 15 years.

In 2012 the Trust received a grant from the San Joaquin River Conservancy and Wildlife Conservation Board to develop a restoration plan and complete environmental review for Habitat Enhancement at Spano River Ranch. Planning and permitting was completed in 2015, and due to some changes to the scope of the project (elimination of earthwork that would require lengthy and expensive permitting), the Trust utilized slightly less than half of the budget for the planning grant. (Final expenditures of \$99,872.62 vs. \$207,000 available)

The Trust applied to the San Joaquin River Conservancy and WCB for an implementation grant of \$550,000, which was approved by WCB in September 2015. The Notice to Proceed on the project was received at the end of October, 2015.

The project site encompasses approximately 100 acres surrounding the H-shaped pond on the property. The pond is located in the middle of the site and takes up approximately 45 acres depending on water level, which changes according to rainfall and runoff in addition to flow levels on the main channel of the San Joaquin River.



The project is designed to benefit wildlife species including the Least Bell's Vireo, Valley Elderberry Longhorn Beetle, Western Yellow-billed Cuckoo, Yellow Warbler, and Swainson's Hawk. The enhanced habitat will also provide increased shade and nature observation opportunities for future site visitors.

#### **Accomplishments to Date**

During the first year of the project the Trust completed the installation of 1.5 miles of trenched rigid irrigation line. Irrigation installation was completed through a contract with the Fresno EOC Local Conservation Corps, with work supervised by the Trust's restoration technicians. Other site preparation work included management of targeted invasive species and conducting a biological survey to meet our streambank alteration agreement requirements.

Project planting commenced in late fall of 2016, and continued into winter 2017. Over 14,000 native trees and shrubs were installed on the project site. Planting crews included Fresno EOC Local Conservation Corps (LCC), and the California Conservation Corps (CCC). The planting process included installation of 26.32 miles of dripline - slightly more than a marathon's length. After plants were installed, certain trees were caged to reduce herbivory by beaver and deer, and all plants were mulched to reduce weed competition.

After planting the Trust restoration technicians and CCC crews began plant establishment activities, which include irrigation and weed management to reduce competition with the native species. Mowing was conducted throughout the site using a tractor-mounted flail mower, a brush hog-type walk-behind mower, and string trimmers.

A significant number of volunteers participated in the site preparation, planting, and plant establishment activities. The Trust conducts monthly volunteer workdays at various sites along the river. In 2016, 263 volunteers contributed 870 hours to site preparation and planting work at Spano River Ranch. In 2017, 228 volunteers have contributed 874 hours to planting and plant establishment work to date.

Early indications of project success include several sightings of a vermilion flycatcher in the project area, a songbird that was previously rare in Fresno.

#### **Causes of Budget Insufficiency/Justification for Augmentation**

The San Joaquin River Parkway & Conservation Trust is requesting an augmentation of \$275,000 for continued plant establishment activities over the final two years of the project. This request includes funding for limited replanting due to higher-than-anticipated plant mortality during the first growing season. The majority of the funding will be used for contracts with CCC crews for replanting during the fall and winter of 2017-2018, and site-wide mowing and plant establishment activities in 2018 and 2019. The project was originally budgeted to be consistent with expenses of the Jensen River Ranch Habitat Enhancement Project, but includes significantly more acreage planted at a higher plant density per acre. This larger planting area and higher-density planting resulted in higher-than-anticipated labor costs for irrigation installation, revegetation, and initial plant establishment. As of August 31, 2017, the Trust has

utilized 87% of the \$550,000 project budget. Expenses to date break down to approximately 2/3 labor and 1/3 materials (including plants and irrigation components).

2017 was an extremely wet year. According to the Bureau of Reclamation, it is the second wettest on record for the San Joaquin River since 1901. The additional water was helpful to a degree, but also created some significant challenges with project implementation.

First, the wet weather made site conditions extremely muddy and slowed down every aspect of project implementation. Planting the site involved four distinct activities – mowing, laying drip line, laying out plants, and installing/planting the native species. The mud prevented the use of motorized equipment in large areas of the project site for months at a time, meaning that mowing was limited to handheld string trimmers rather than the tractor-mounted flail mower. Corps members laying drip lines were slowed down as they slogged through mud, and plants had to be hand-carried with wheel-barrows to a large part of the site rather than being transported by truck. Many plant species native to the Central Valley prefer dry conditions to wet, and some plants were lost early in the season due to the constantly oversaturated soil.

Second, the high water conditions on the river also resulted in high-water conditions on the H-pond. The revegetation plan accounted for some fluctuation in water levels, but the bottom two rows of plants were inundated in some areas. The species planted around the pond are riparian plants that can survive intermittent inundation when they are mature, but they were not able to survive flooding for several weeks immediately after planting.

Finally, the unusually wet spring and late season rains resulted in significant growth of non-native grasses at the site. Mulching the plants helped reduce grass pressure in the immediate vicinity of the new plants, but resulted in high grass – tall enough to shade the new plants –between the planting rows. The tall grass created cover for vole (field mice) populations, which exploded in several areas along the Parkway in 2017.

Site mowing began immediately after planting was complete to reduce vegetative competition for the young plants. Late season rains continued to keep new flushes of grass growing later in the season than usual, which resulted in the need to conduct a complete mowing of the site a second time. The grass cover prevented raptors from providing control of the field mice; but as areas were mowed Raptors would immediately move in and begin reducing the vole population.

The Trust consulted with four pest-control professionals to determine an appropriate course of action to address herbivory. Consultants included Chuck Synold (Vice President agri-turf), Erik Smith (PCA target Specialty), San Joaquin Pest Control, and Eagle Pest Control. San Joaquin Pest Control toured the project site once, and Eagle Pest control toured the project site twice (once with a biologist for a second opinion on the culprit). The California Vole, a.k.a. field mouse, was determined to be the primary problem. The consultants were unanimous in their recommendation of zinc-phosphide oats as the best method to control voles. However, zinc phosphide is highly toxic to waterfowl, especially geese, and can cause

secondary poisoning to non-target animals including dogs and cats. Due to the presence of raptors, waterfowl, songbirds, and bobcats in the area, in addition to significant use of the site by local dog owners, Trust staff determined that the risks outweighed the benefits of using poison bait. Instead, the Trust purchased a large quantity of snap traps and began placing them in vole tunnels on a weekly basis. Staff checked the traps each day and collected them at the end of each week. The traps successfully eliminated 5-10 voles per day for the first three weeks; the trap rate dropped off near the end of August, signifying a reduction in the overall population at the site.

### **Project Cost Analysis**

In order to place the augmentation in context, this section provides a comparison of the project scopes and budgets of other projects funded by the Conservancy and WCB.

The project was originally budgeted to be consistent with the cost of another restoration project in the region – the Jensen River Ranch Habitat Enhancement and Public Access Project. The Jensen River Ranch Project was completed in multiple phases and included on-the-ground implementation work by both the River Parkway Trust and the Department of Water Resources.

Jensen River Ranch Phase 1:

100 acre project site

Approximately 35 acres planted at low density – 20' on center

Funding sources: \$167,000 weed management grant from SJRC/WCB

\$807,000 revegetation and public access improvements River Parkways Grant

(Does not include \$2 million + for earthwork and irrigation infrastructure funding from SJRC/WCB)

Although the project site and planting area of Jensen Phase 1 was similar to the Spano project, the plant density is dramatically different. 7 times as many plants were installed at Spano, with equally significant differences in the cost of labor and materials. The Spano River Ranch Project has higher-density planting because it was designed to benefit specific target wildlife species. The plant density and species mix is intended to create habitat that will be used by those species. The Jensen River Ranch Project was designed to be a multi-benefit project which provided slightly enhanced habitat values for many of the common species known to live along the San Joaquin River. Jensen Project was also designed to provide the opportunity for cattle grazing at the site, with planting “cells” fenced and scattered throughout large open grassland areas.

In addition, the Spano Project surrounds a large pond, which increases the travel time to get from one part of the site to another. Instead of being able to traverse back and forth across the site during a workday, all travel must follow the perimeter of the pond edge – the longest distance rather than the shortest distance between the points. This has a significant effect on labor costs due to the length of time it takes to move people and materials around the project site.

See comparative images of project sites below.

Figure 1 Jensen River Ranch Phase 1 Site

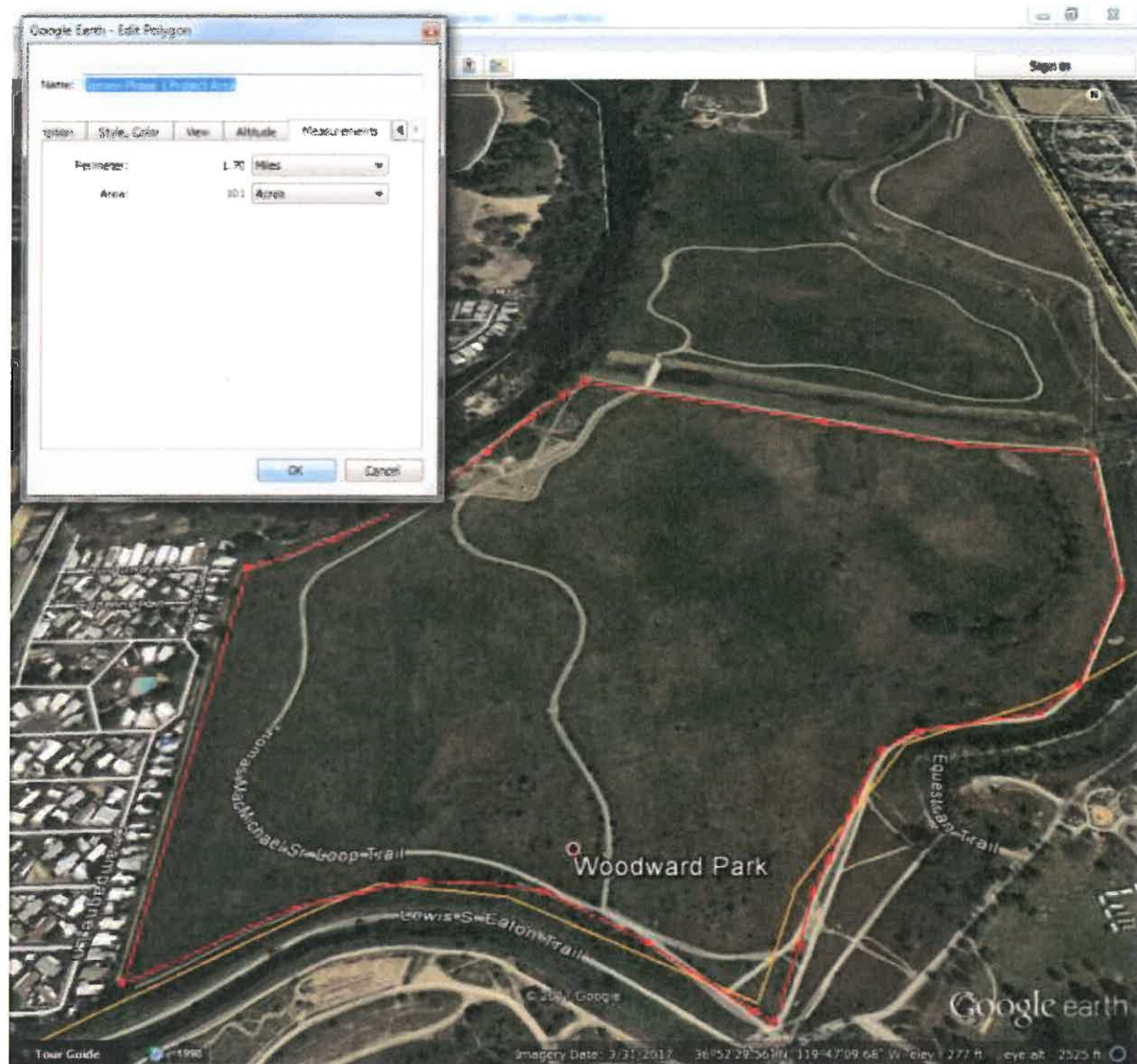
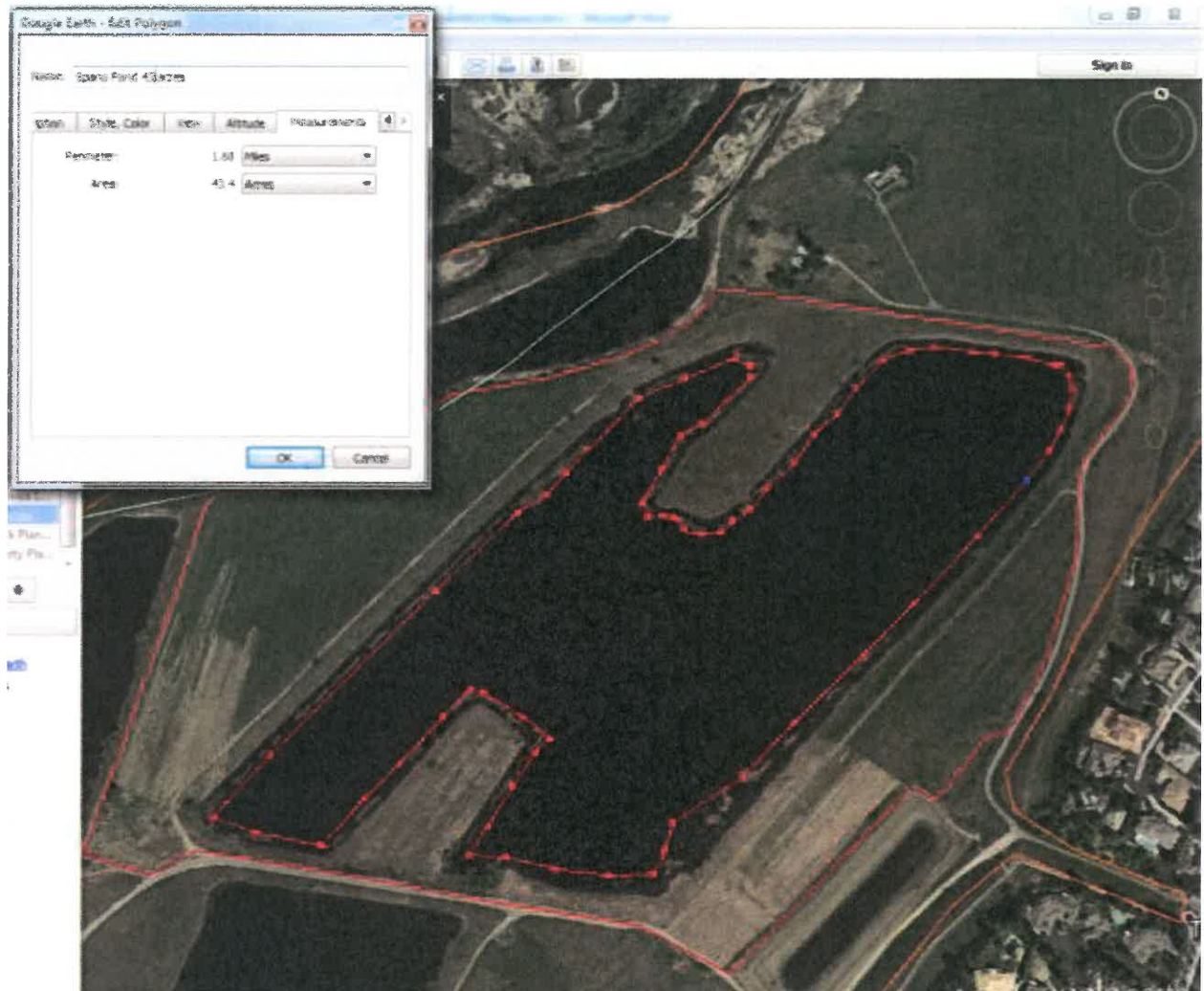


Figure 2 Spano River Ranch Project Site



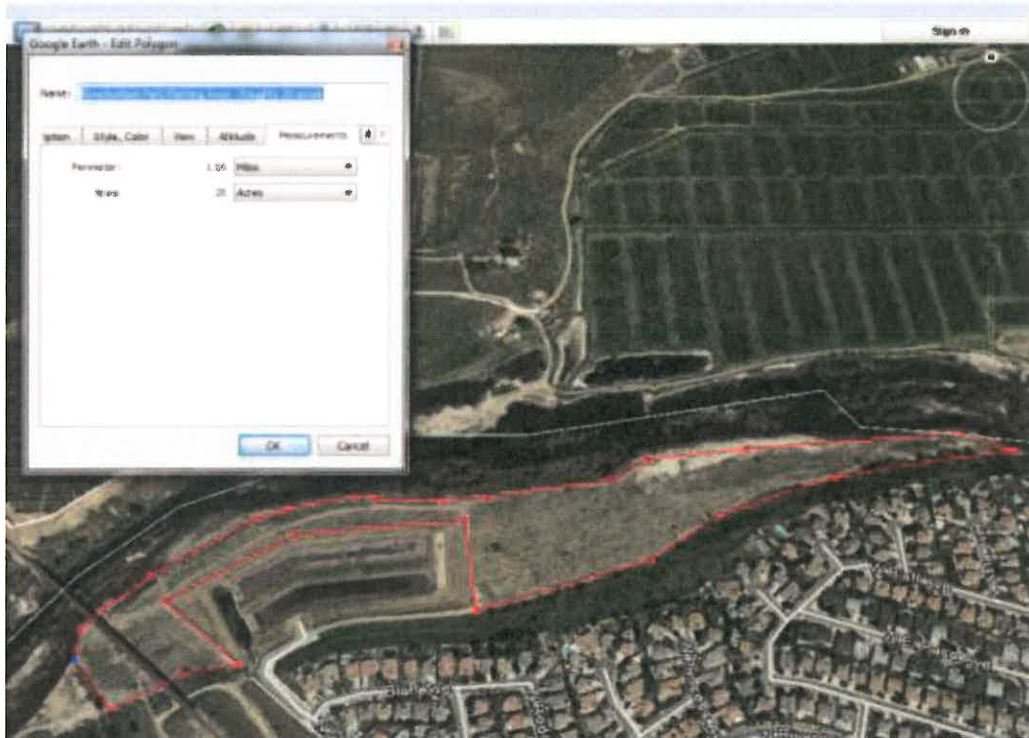


Figure 3 Spano "H" pond area - approximately 45 acres

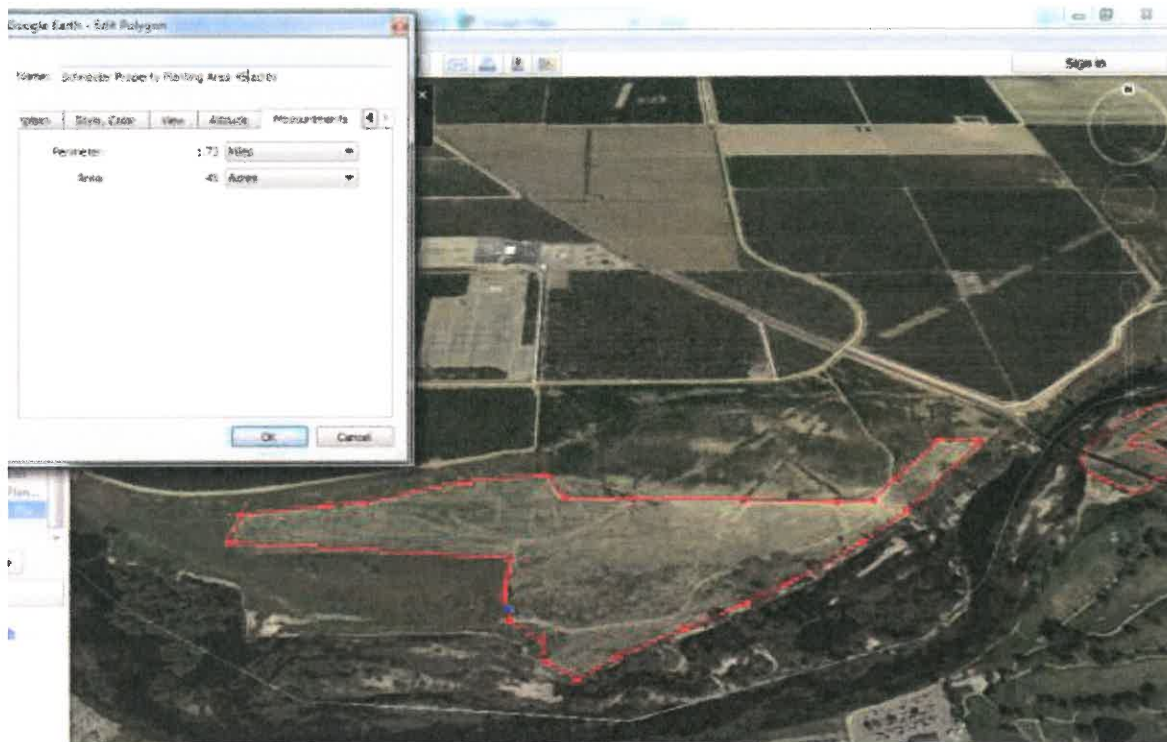


For comparison purposes it may be helpful to look at another project site in the region currently undergoing restoration by River Partners. The Riverbottom Park Site and Schneider Property Habitat Restoration Project was first planted in 2016. The project is located on two parcels spanning the river and totaling 147 acres, and includes 65 acres intensively planted with native plants.

*Figure 4 Riverbottom Park Planting Area - approximately 20 acres*



*Figure 5 Schneider Property planting area - approximately 45 acres*



The Schneider and Riverbottom Park Project includes 65 acres intensively planted with native plants, and was originally budgeted at \$704,000. With the augmentation approved by the Conservancy Board in June and the Wildlife Conservation Board in August, the project budget is now \$897,000.

Habitat restoration projects have site-specific challenges and opportunities that make a true “apples-to-apples” comparison impossible. Although a direct cost per acre comparison isn’t appropriate for these varied project sites, the Spano River Ranch Project with the requested budget augmentation falls within the expense range of similar projects in the region.

#### **Measures taken to address budget shortfall**

Adaptive management is the key to successful habitat restoration projects. Usually, adaptive management involves an evaluation of the success of certain species at the project site over other species, and changing the planting plan accordingly.

In this year of significant rain and high river flows, adaptive management involved a change in techniques in an effort to maintain efficiency in challenging working conditions. Since it was not possible to mow with a tractor during some months of the year, brush mowers were rented. Since it



was not possible to move a truck through the planting rows, plants and other materials were distributed with wheelbarrows.

Unfortunately the adaptive management techniques that were used to keep the project on schedule in difficult weather conditions also resulted in increased costs due to the increased labor intensity.

Finally, the explosion in the population of voles in certain areas of the site necessitated some trial and error with wildlife-friendly herbivore control techniques. At the end of this first growing season, the Trust has gained control of the vole population with two site-wide mowings, weekly trapping, and installation of additional raptor perches. Tubex tree tubes have been installed over some plants and seem to be providing some protection from voles. Herbivory protection with Tubex is included in the budget augmentation.

### Scope of Work

The Trust is not anticipating an extension of time for this project. The 5 year period provided by the grant is adequate to complete the work and establish the new plants. Instead, the augmented funding will allow the Trust to conduct limited replanting of the areas with the greatest plant mortality, and continue irrigation and other plant establishment activities over the final two-and-a-half years of the project timeframe. The work to be completed includes:

1. Revegetation: fall 2017/winter 2018 planting of additional container stock, acorns, and pole cuttings. Container stock will be protected with Tubex plant protectors.
2. Plant establishment: Trust staff will continue irrigating the site bi-weekly and then weekly, weaning the new plants off of irrigation near the end of the project period. Irrigation lines will be maintained, and the entire site will be mowed at least once per year with the help of CCC members. Monitoring will take place at the end of each growing season to determine survival rates.
3. Project management: Trust staff will continue to supervise project staff, manage and report on time and expenses as required by the grant agreement.

### Proposed Budget

Line Items	Current Grant Funding	Augmentation Request	Total
Site Preparation	\$25,000	0	\$25,000
Irrigation Installation	\$170,000	0	\$170,000
Revegetation	\$166,000	\$87,590	\$253,590.00
Plant Establishment	\$97,900	\$174,312	\$272,212.00
Project Management	\$45,550	\$13,095	\$58,645.00
Contingency at 10%	\$45,550	0	\$45,550
<b>Total:</b>	<b>\$550,000.00</b>	<b>\$274,997.00</b>	<b>\$824,997.00</b>

Please note that the augmentation breaks down as follows: \$168,000 budgeted for CCC labor, \$50,883 for materials and equipment rental, and \$56,114 for Trust labor.